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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2261



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EAST EUROPE REPORT

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INTERNATIONAL TRAVEL STATISTICS OF CEMA COUNTRIES PUBLISHED

West Berlin DIW-WOCHENBERICHT in German Vol 49 No 9, 4 Mar 82 pp 135-139

/Report by Maria Lodahl, German Institute for Economic Research (DIW), West Berlin:
"Travel in CEMA"/

/Text/ Travel in CEMA¹

Decrease of Reciprocal Traffic

The statistics on international travel in the CEMA countries offer no such detailed materials as similar statistics in the OECD countries. Data are most complete with regard to the numbers of tourists, excursionists (less than 24 hours stay), business and transit travelers.

1980 as well as 1979 was a poor year for tourism in the CEMA region. A total of 72 million visitors were counted at the borders of the CEMA countries, 3 million less than in 1979 and 6 million less than in 1978, the record year so far.

Foreign Visitors¹⁾ to the CEMA Countries 1980

Country of Entry	Visitors million persons		Percentage Changes by Comparison with the Previous Year	
	Total	From Socialist Countries	Total	From Socialist Countries
Bulgaria	5.5	2.4	7.2	- 8.0
CSSR	18.5	17.4	0.8	0.8
GDR	14.5	7.6	- 9.2	- 11.8
Poland	7.1	6.4	- 22.5	- 21.2
Romania	6.7	5.9	11.7	14.1
USSR ²⁾	6.0	3.6	15.4	16.0
Hungary	14.0	12.0	- 7.5	- 7.5
Total CEMA	72.3	55.3	- 3.5	- 4.4

1) Including excursionists and transit travelers. GDR excluding transit travelers.

2) Estimated.

Note: Rounding off of figures results in divergences from the following table.

Sources: WTO /World Travel Organization/, World Travel Statistics, Vols 33/1979 and 34/1980.

On the decline primarily is reciprocal travel that accounts for the major part of entries. This is due largely to events in Poland. Poland's neighbors, the GDR and CSSR, have traditionally carried on a lively exchange of travelers with that country. Both reacted to its economic problems by sealing off the borders.² Travel from Poland to the other CEMA countries declined sharply, by at least 20 percent, for example, to the GDR. A definite decrease was also recorded for the opposite flow--travel to Poland, especially from the GDR.

Hungary too received fewer visitors in 1980, whether from socialist or Western countries. Bulgaria showed a decline only in the numbers of tourists from the socialist countries. The reason here were price increases. In both countries prices of food and consumer goods rose by 10 percent in the course of 1980. Prices of tourist services rose even more.³

So that travel abroad may not degenerate into purchasing sprees, all CEMA countries have now enacted foreign exchange regulations to protect domestic markets. These include minimum and maximum rates of changing money as well as strict customs and export instructions for travelers.

....and Stagnation in Travel from the West ...

While international tourist traffic in the OECD countries continued to increase in 1980, the attraction of the CEMA countries for travelers from the West, in the first place the OECD countries, has decreased somewhat. From the aspect of the CEMA countries this is a highly undesirable trend. All of them need foreign exchange, and for some of the tourism has turned into a welcome source of revenue.

Structure of Travel¹⁾ to Selected CEMA Countries²⁾ 1980 (percentage shares)

(1) Herkunftsland		(2) Zielland	Bulgarien	CSSR	(3) DDR	Polen	(4) Rumänien	(5) Ungarn
(6)	Sozialistische Länder		44,5	93,8	52,6	90,3	87,1	86,1
(7)	darunter: Bulgarien		-	1,2	0,9	0,9	14,9	3,5
	CSSR		6,4	-	16,2	21,9	11,8	40,5
(3)	DDR		3,5	37,1	-	48,1	5,5	9,1
(4)	Polen		6,8	24,9	29,2	-	10,6	13,9
	Rumänien		4,6	0,7	0,3	0,6	-	3,8
	UdSSR		6,0	1,3	2,0	10,1	8,0	3,6
(5)	Ungarn		3,0	27,7	2,0	4,7	13,4	-
	Jugoslawien		14,1	0,9	0,3	1,2	22,7	11,7
(8)	Westliche Länder		3) 55,5	6,2	47,4	9,7	12,9	13,9
(7)(9)	darunter: Bundesrepublik Deutschland		3,0	2,4	4) 38,5	4,3	3,4	3,7
(10)	Frankreich		1,2	0,2	.	1,0	0,8	0,3
	Italien		.	0,4	.	0,5	0,6	0,5
(11)	Großbritannien		0,8	0,1	.	.	1,2	0,2
(12)	Österreich		0,5	1,4	.	0,5	0,5	6,2
(13)	Schweden		0,3	0,2	.	1,0	0,2	.
	Finnland		.	.	.	0,5	0,1	.
	USA		0,2	0,2	.	0,6	0,1	0,4
(14)	1)Einschließlich Ausflügler und Transitreisende. DDR ohne Transitreisende.-2)Kein Nachweis für die Sowjetunion vorhanden.-							
	3)Darunter Türkei mit 39,7 vH.-4)Darunter Berlin (West) 17,4 vH.							
(15)	Quellen: WTO, World Travel Statistics, Vol.34/1980; Statistische Jahrbücher der betreffenden Länder; Presseberichte bzw. Partnerlandangaben.							

/Key on following page/

Key:

1. Country of origin
2. Country of destination
3. GDR
4. Romania
5. Hungary
6. Socialist countries
7. Consisting of:
8. Western countries
9. FRG
10. France
11. Britain
12. Austria
13. Sweden
14. 1) Including excursionists and transit travelers. GDR excluding transit travelers.-- 2) No data available for the Soviet Union.-- 3) Including Turkey with 39.7 percent.-- 4) Including West Berlin 17.4 percent.
15. Sources: WTO, World Travel Statistics, Vol 34/1980; statistical yearbooks of the countries concerned; press reports and partner country data.

Visitors¹⁾ from Western Countries²⁾ 1980

Country of Entry	Visitors (million persons)	Percentage Change by Comparison with the Previous Year
Bulgaria	3.0	23.4
CSSR	1.1	1.6
GDR	6.9	- 6.1
Poland	0.7	- 32.6
Romania	0.9	- 2.3
USSR ³⁾	2.4	14.3
Hungary	2.0	- 6.9
Total CEMA	17.0	- 0.3

- 1) Including excursionists and transit travelers. GDR excluding transit travelers.--
 2) OECD and developing countries.-- 3) Estimate.

Sources: WTO, World Travel Statistics, Vols 39/1979 and 34/1980.

Poland suffered a particularly severe collapse in Western tourism in 1980. The absence of travelers from overseas was especially marked; the figures for tourists from the West showed an 8 percent decline. Bulgarian statistics, on the other hand, reported a respectable 23 percent growth; this, however, is due mainly to Turks in transit through the country (2.2 million border crossings, mostly by guest workers traveling between their homeland and Western Europe). Still, the figures of tourists from the West did rise by 13 percent.

The GDR is a special case in this context, due to tourist traffic with the FRG including West Berlin. In October 1980 the GDR increased the minimum exchange rate per day and person to DM25 overall (before it was DM13; DM6.50 for West Berliners staying in East Berlin). It also added pensioners and juveniles to the group of travelers obligated to change money. As was to be expected--and obviously intended by the GDR leaders--tourist travel promptly declined. According to the data issued by the WTO, a drop of some 10 percent was recorded for 1980.

... Resulted in a Decrease in Nights Spent in Vacation Accommodation

Nights spent are the best index of tourist demand. Unfortunately we lack data for the Soviet Union and the GDR, and the statistics of the CSSR and Romania leave much to be desired. Bulgaria ranked first in nights spent (16 million). Bulgaria also boasts the longest stay per tourist; it reports roughly 10 days. Well behind are the CSSR, Hungary, Romania and Poland. Bulgaria is a favorite with tourists from the FRG; in 1980 they spent 2.3 million nights there (+ 5 percent); this corresponded to 25 percent of all foreigners spending nights in Bulgarian hotels. FRG citizens held a similarly high percentage of nights spent in Hungarian hotels. However, at a figure of 814,000, FRG tourism there showed a 5 percent decline by comparison with the previous year.

In the 1980 tourist season the CEMA countries found out that visitors from the West were inclined to pay much more attention to prices. In Hungary, for example, Western tourists prefer rooms in private homes and camp grounds to hotels. The utilization of hotel capacities declined on the average from 77 percent (1978) to 63 percent--though by Western standards that is still a very good result. Within CEMA Hungary has the fewest hotel rooms but the largest supply of rooms in private homes. The ratio of hotel to private beds is about 1 : 4.

In the other CEMA countries the overnight capacities for foreign visitors, especially those from the West, are mainly concentrated on hotels. The change in the structure of West European tourist travel has not yet found an adequate echo in the CEMA countries: Western tourists now prefer cheaper accommodation such as boarding houses and private hotels, or they rent cottages and apartments so that they can do their own catering. In a planned economy it is easier for tourists to book all-inclusive arrangements, because the services required may then be calculated in advance. Individual travel will not properly develop as long as food supplies and tourist services fail to function satisfactorily.

CEMA Citizens Increase Travel to the West

In 1980 CEMA citizens took a total of 40 million trips abroad--3 million fewer than in the preceding year. The incidence of foreign travel declined especially in Poland and the GDR, affecting reciprocal travel in particular.

On the other hand 10 percent more tourists traveled to the West than in the preceding year, although this figure does include travel by GDR pensioners to the FRG and West Berlin.⁴ In a private capacity GDR citizens may travel to the West only when they have reached retirement age or have urgent family business to settle.

Nights Spent by Foreign Tourists in Selected CEMA Countries 1979 and 1980

	(1)		(2)		(1)		(2)	
	Insgesamt		dar.: westl. Länder		Insgesamt		dar.: westl. Länder	
	1979	1980 (3)	1979	1980	1979	1980 (4)	1979	1980
	Mill. Übernachtungen				Veränderung gegenüber Vorjahr in %			
Bulgarien								
(5) Alle Unterkünfte ¹⁾	16,8	16,1	5,3	5,6	5,0	- 4,2	35,9	5,7
(6) dar.: Hotels	11,1	10,9	5,0	5,2	13,3	- 1,8	35,1	4,0
CSSR								
(5) Alle Unterkünfte ¹⁾	9,6	9,5	.	.	5,5	- 1,0	.	.
(6) dar.: Hotels	6,0	6,1	.	.	3,5	1,7	.	.
Polen								
(5) Alle Unterkünfte ¹⁾	6,9	6,1	.	.	1,5	-11,6	.	.
(6) dar.: Hotels	4,5	3,9	2,5	2,1	2,3	-13,3	0,0	-16,0
(7) Rumänien								
(5) Alle Unterkünfte ¹⁾	10,2	8,6	.	.	18,6	-15,7	.	.
(6) dar.: Hotels	9,4	8,2	.	.	27,0	-12,8	.	.
(8) Ungarn								
(5) Alle Unterkünfte ¹⁾	11,3	9,7	4,1	4,1	2,7	-14,2	13,9	0,0
(6) dar.: Hotels	4,1	3,6	2,2	2,1	0,0	-12,2	10,0	- 4,6
(9) 1) Hotels, Ferienhäuser, Privatzimmer, Camping.								
(10) Quelle: WTO, World Travel Statistics, Vol. 33/1979 und Vol. 34/1980.								

Key:

1. Total
2. Including Western countries
3. Million nights spent
4. Percentage change by comparison with the previous year
5. All accommodation¹⁾
6. Including hotels
7. Romania
8. Hungary
9. 1) Hotels, vacation homes, rooms in private homes, camping
10. Source: WTO, World Travel Statistics, Vols 33/1979 and 34/1980.

The other CEMA countries handle permits for travel to the West far less restrictively. The outstanding problem is the lack of foreign exchange. Foreign exchange allocations for private travel are very limited (ranging per trip and person from \$100 in Bulgaria to \$340 in the CSSR and Hungary; less if the purpose of the trip is a visit to relatives), and they have to be paid for at an artificially high rate of conversion. Poles may keep an account in foreign exchange and finance trips from this money. According to press reports, half of all Poles traveling to the West in 1980 used this facility.

Earnings from Tourism

Only Hungary and the CSSR publish data on foreign exchange earnings from Western tourism. In 1980 the CSSR earned \$87 million (+ 16 percent), although the numbers of Western tourists did not increase. Still, these earnings should have been higher in view of the increase in the minimum exchange per person and day by about one

Foreign Travel by CEMA Citizens 1980

	Foreign Travel in Million Persons			Percentage Change by Comparison with the Previous Year		
	Total	To Socialist Countries	To Western Countries	Total	To Socialist Countries	To Western Countries
Bulgaria	0.8	0.6	0.2	16.3	14.7	21.8
CSSR	10.3	9.8	0.5	0.7	- 0.4	26.1
GDR ¹⁾	11.5	8.2	3.3	- 7.4	- 10.6	1.9
Poland ¹⁾	6.8	6.1	0.7	- 33.5	- 36.5	15.6
Romania ¹⁾	0.7	0.5	0.2	20.7	13.9	40.0
USSR ¹⁾	4.1	2.6	1.5	17.1	18.2	15.4
Hungary	5.2	4.7	0.5	2.2	1.1	15.5
Total CEMA	39.4	32.5	6.9	- 7.8	- 10.8	9.9

1) Estimated on the basis of partner country data and press reports.

Sources: Statistical yearbooks of the countries concerned.

Foreign Travel Intensity¹⁾ in the CEMA Countries

	1979	1980
GDR ²⁾	74	69
CSSR	67	68
Hungary	47	48
Poland	29	19
Bulgaria	7	9
Romania	3	3
Soviet Union	1	2

1) Foreign travel per 100 residents.-- 2) Including travel by GDR pensioners to the FRG.

third. Hungary abolished the compulsory exchange of foreign currencies in January 1978. Here the steep price increases for tourist services were softened by repeated devaluations of the forint vis-a-vis the convertible currencies.⁶ Consequently, and to the great satisfaction of the Hungarian authorities, tourists paid for their expenses largely by legitimate means. The Hungarians, though, were not too happy about the final economic result, because the price increases led to a greater decline in demand than had been assumed. The numbers of visitors from the West dropped by 7 percent. According to press reports earnings in convertible currencies amounted to \$185 million, about 10-12 percent more than in 1979.⁷

According to reports issued by the German Bundesbank, the CEMA countries--excluding the GDR--got less than 2 percent of the total travel expenditure of federal German citizens. German tourists spent DM0.7 billion there in 1980. Though West German

tourist spending abroad increased by another 16.2 percent in 1980, the CEMA countries actually took in 7.8 percent less. Poland and the Soviet Union, especially, recorded lower earnings.

1981 Tourist Traffic

The general abandonment of the liberalization tendency predominant in the 1970's is now noticeable in the CEMA countries. Each country has chosen its own particular approach; common to almost all of them is increasing alienation from Poland. Similar to the GDR and the Soviet Union, Bulgaria has required Poles since 1981 to produce an invitation, confirmed by Bulgarian authorities, for all private travel.

Due to the lack of foreign exchange Poles are unable to turn instead to travel to Western countries. Since March 1981 even the modest foreign exchange allocations (\$150) for private travel have been discontinued; only owners of their own foreign exchange accounts may now travel to the West. In this situation the Poles have little use for the new travel passports, issued for 3 years and valid for all countries. On the contrary--administrative barriers have now risen higher in the West also. Travel to Austria had not required a visa since 1978. Now this concession has been suspended because Austria is no longer able to cope with the influx of Polish emigrants.

In 1981 the total of Western tourists is likely to have declined even further. According to an estimate by the ministry for inner-German relations, a quarter to a third fewer visitors from the FRG and West Berlin went to the GDR. The CSSR recorded a decline in Western tourism by almost 20 percent. It had raised the minimum exchange rate from DM25 to DM30 in July 1981.

Hungary, on the other hand, enjoyed a revival of Western tourism. The 1981 price increases were far more modest. Moreover, the forint was further devalued vis-a-vis the convertible currencies. Hungary seeks a limited convertibility of the forint by the standardization of the foreign trade and tourist rates of exchange. Still, the status of the forint as an internal currency only is maintained; the public will continue to be able to obtain only limited amounts of convertible currencies.

FOOTNOTES

1. Bulgaria, CSSR, GDR, Poland, Romania, USSR and Hungary.
2. In May 1980 the GDR mark was revalued by 16 percent vis-a-vis the Polish zloty. The new exchange rate amounted to M1 equaling 7.70 zlotys. The mark's purchasing power as against the zloty thereby rose by a total of 61 percent since the introduction (in 1963) of the basic tourist rate. In June 1980 the minimum exchange obligation was introduced for travelers of both countries, and the maximum period Poles may stay in the GDR limited to 14 days. Poles must change M25 per day, GDR citizens 200 zlotys (M26). GDR citizens may buy and change back additional zlotys in any amount desired. Excepted from the obligatory change are children under 7, business travelers and members of organized tourist groups. Motor fuel is available only for gasoline coupons. Since November 1980 travelers of both countries need an invitation, confirmed by the police, for private reciprocal

travel. In November 1980 Czechoslovakia too restricted contacts with Poland. In addition to the existing foreign exchange obligations which limit the stay of Poles in the CSSR to 13 days, citizens of both countries may now travel to the neighboring country only every 90 days, that is 4 times a year.

3. Prices of hotel rooms in Hungary rose by 30-100 percent, rooms in private homes by 60 percent and rooms in inns by 40 percent. Prices of accommodation in Bulgaria rose by an average of 40 percent.
4. Up to 1979 the GDR reported about 3 million trips per annum. Reports were discontinued in 1980. Estimates by the federal ministry for inner-German relations were always lower than the GDR figures; for 1980 the ministry assesses trips by GDR pensioners at 1.6 million.
5. Before the beginning of the tourist season, on 1 June 1980, the CSSR raised the minimum exchange rate from \$10 per day to DM25, and at the same time substituted the D-mark for the U.S.dollar as the guide currency.
6. In the course of 1980 the forint was devalued in several stages by a total of 19.7 percent vis-a-vis the convertible currencies.
7. BUDAPESTER RUNDSCHAU No 3/1981.

11698

CSO: 2300/208

BRIEFS

YUGOSLAV-POLISH TRADE--The volume of trade planned for 1981 was about \$700 million, but only about \$500 million was actually realized. Considering the circumstances, however, it was judged "satisfactory" by the Yugoslav Economic Chamber. The value of Yugoslav exports was \$282.5 million (most was semi-finished goods and raw materials which accounted for \$109.3 million, while machines and transportation equipment accounted for \$132.9 million). About \$213 million worth of goods were imported from Poland, or about \$137 million less than planned. Most of these imports were also semi-finished goods and raw materials (\$116.3 million) and equipment and transportation products (\$90.4 million). According to the 1982 trade protocol signed in February, the volume of trade should increase to \$657.2 million. The Polish side has expressed readiness to deliver larger quantities of some products, such as raw materials and semi-finished goods, but has also asked for more Yugoslav deliveries of agricultural and food products (meat, fats, corn, oil). [Excerpt] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 15 Mar 82 p 34]

CSO: 2800/347

UNION TASKS OUTLINED AT SLOVAK TU CONGRESS

Bratislava PRACA in Slovak 8 Mar 82 pp 5-7

[Report of the Slovak Trade Union Council read by Comrade L. Abraham at the Slovak ROH [Revolutionary Trade Union Movement] Congress: "ROH Activity and Future Tasks in Slovakia"]

[Text] The Slovak ROH Congress convenes in the period of intensive effort of our society to consistently implement the program of the 16th CPCZ Congress and tasks set by the resolution of the CPSL congress. With their new achievements, the workers are getting ready to welcome the 10th All-Trade Union Congress and celebrate the 65th anniversary of the Great October Socialist Revolution.

Our congress takes place during the period in which we are recalling the 60th anniversary of the foundation of the Red Trade Unions. That historically important event inaugurated the successful struggle for the unity of Czechoslovakia's working class. During this more than half-century-long period of struggles of the working class under the guidance of the communist party, a unified organization of workers was gradually formed which is building the developed socialist society today.

An important event in the life of our society was the 16th CPCZ Congress and the CPSL Congress in March 1981. They worked out the program of our further course of action on the road of building the developed socialist society, further development of socialist Czechoslovakia and within it of the SSR.

A historic event which also affected the work of our trade unions was the 26th CPSU Congress. Its results are also a source of inspiration and enlightenment for the Czechoslovak trade unions. The expansion of cooperation with the Soviet trade unions and making use of their experiences--that is the road of further increase in the standard of activity of our socialist trade unions also in the future.

Increased Activity Prior to Congress

The period preceding our congress was marked by increased activity of trade union organs and organizations, activist officials and members for the implementation of the party strategic line, for increasing production

efficiency and quality of all work. Also important to the congress were the annual membership meetings and all-trade union and association conferences which critically reviewed the implementation of the resolutions of the Ninth All-Trade Union Congress and the tasks listed in the program of activity from the 16th CPCZ Congress to the 10th All-Trade Union Congress as well as of the tasks of the election programs of the National Front. The proceedings at the annual membership meetings and associations and all-trade union conferences were positively affected by the fourth and fifth plenums of the CPCZ Central Committee and the CPSL Central Committee.

We have registered many positive results in the activity of organs and organizations since the Ninth All-Trade Union Congress. We essentially fulfilled the tasks set by the resolutions of the Ninth All-Trade Union Congress and the resolution of the Slovak Congress in 1977. The details are contained in the report which is in your hands.

The past decade was one of the most successful periods of building socialism in our fatherland. It also became clear, however, that we had exhausted the possibilities of extensive development. We now face an arduous and very urgent task--to make the transition to intensive economic development. This means to make more efficient use of raw and industrial materials, to utilize the available labor force and particularly workers qualifications more purposefully, and to apply scientific and technological achievements on a wider scale.

The annual membership meeting of basic organizations and the trade union association and all-trade union conferences confirmed that the workers realized the complexity and demanding nature of the present stage of building a developed socialist society. They realize the difficulties with which we have to cope in the solution of economic problems, but also the necessity of concentrating all forces on their elimination as the basic condition for the maintenance and further improvement of the living and cultural standard of our people.

We intend to implement the demanding tasks set by the 16th CPCZ Congress and the last CPSL congress in close cooperation with the Soviet Union and other socialist countries. It is imperative that in implementing the tasks related to the further building of the developed socialist society we make full use of the advantages of the socialist social system, broaden the scope of our economy's participation in the international socialist division of labor and intensify our participation in socialist economic integration.

Under the present conditions it is extraordinarily important to achieve a fundamental change in the work of management organs in the first place. As pointed out by the Fifth Plenum of the CPCZ Central Committee and the subsequent plenum of the CPSL Central Committee in December, there are still many shortcomings in management.

It is the duty of trade unions to clearly and convincingly explain the present demanding tasks and to make management personnel, officials and all workers realize that--as Comrade Josef Lenart stated--"it is necessary to reorient our

action...from extensive to intensive use of resources and possibilities, to gradual attainment of high quality and efficiency in all our work."

The organs of the Slovak Trade Union Council [SOR] and the SSR Government approved joint tasks in recent years and determined the unified course of action of state, economic and trade union organs for implementing the key tasks of SSR economic and social development in individual years. The results achieved confirmed the correctness and purposefulness of joint action which helped solve several problems in the implementation of plan tasks. Joint meetings should become a permanent method of mutual cooperation of state, economic and trade union organs at all levels of management.

In order to make this cooperation more effective, it would also be expedient to organize joint actions with other mass organizations, such as the Socialist Union of Youth [SSM], Union of Cooperative Farmers, Czechoslovak Scientific and Technological Society, Slovak Union of Women and others.

Being guided by the method of the principal unit [of trade union organization], the annual plans of activity and collective agreements reflected the orientation of trade union activity during the past period. These political documents aimed at the comprehensive, committed and systematic trade union participation in the implementation of the program of the 15th and 16th CPCZ congresses and of the resolution of the Ninth All-Trade Union Congress--the development and consolidation of socialist democracy, fulfillment of the national economic plan, the concern of trade unions for the work, social, health and living conditions of workers, promoting their socialist consciousness, expansion of international activity and international obligations of trade unions, and increasing the standard and effectiveness of trade union work in general.

Stimulating Initiative

In spite of complex conditions during the Sixth Five-Year Plan, our national economy developed in accordance with the tasks set by the 15th CPCZ Congress and the resolution of the CPSL. The production increase and rising share of the SSR economy in the production of the CSSR national income confirm that Slovakia already has a considerable technical-economic and human potential. This makes possible not only further dynamic development, but also an increased share of the SSR in the development of the unified Czechoslovak economy and maintenance of the existing high living standard and social security of our citizens in relation to the results achieved in the development of the national economy. This, however, calls for the systematic coordination effort of the workers to implement the program of the 16th CPCZ Congress and the Resolution of the last CPSL congress, for further promotion of the work of workers and their creative initiative.

In the campaign "Everybody Must Act in Socialist Manner," we paid primary attention to the time-tested forms of work and creative initiative. In organizing socialist competition, individual, collective and combined socialist pledges, we incessantly emphasized the requirement of directing, to the maximum possible degree, worker initiative to the key tasks of the plan,

particularly to increasing efficiency and quality, conservation of raw and industrial materials, fuels and energy. Having these goals in mind, we organized, together with the economic organs, competition among the brigades of socialist labor [BSP] and activity of comprehensive rationalization brigades.

The anniversaries of important political events provided a stimulus for socialist competition, pledges and other forms of work and creative initiative. On the initiative of some prominent brigades and heroes of socialist labor, bearers of state, ministerial decorations such as collectives headed by such heroes of socialist labor as Comrade Jane Kreto from Slovak Magnesite Plants at Jelsava, Frantisek Karlovsky from Iron Ore Mines at Rudnany, Stefan Harmat from Elektrovod Bratislava, Jozef Ciger from the Slovak National Uprising printing plant at Martin and others gave rise to several exemplary manifestations of socialist attitude toward work in the implementation of key tasks of the plan.

Remarkable results were achieved in Central Slovakia Kraj in the competition for the implementation ahead of schedule of tasks of the annual plan as well as of the entire Sixth Five-Year Plan. This initiative originated among the female workers of the V. I. Lenin Cotton Industries in Ruzomberok and met with a broad response in other enterprises and plants in Slovakia.

In East Slovakia Kraj increased attention was paid to the mutual friendly competition with the Transcarpathian area of the Ukrainian Soviet Socialist Republic and to the combined pledges in the effort to promote constant innovation in production and to introduce robots and manipulators in industry.

In West Slovakia Kraj they successfully applied on a large scale the Saratov Zero-Defect System, whose results contributed to raising the quality of products. At the present time, the work collectives demonstrated initiative in economizing by producing the value of 1 day's production from saved raw and industrial materials, fuels and energy, and will meet the annual plan target by 29 December in each year of the Seventh Five-Year Plan.

In the metal industry, the campaign for meeting the export targets particularly to the Soviet Union ahead of schedule developed successfully.

In mining, initiative focused on achieving new records in coal output and driving gateways.

In accordance with the resolutions of the Fourth Plenum of the CPCZ Central Committee and CPSL Central Committee, the initiative in the agriculture and food industry focuses on the fulfillment of demanding tasks of further development of these sectors. In the state sector of agriculture, it is particularly the competition for the "Plant and Operation of Model Quality" and combined socialist pledges within individual cooperating districts.

Combined Pledges Help

We paid increased attention to the combined socialist pledges on the key capital investment projects. The combined socialist pledges for the

construction of the Cierny Vah hydroelectric pumped-storage power plant, nuclear power plants at Jaslovske Bohunice, Wood Pulp-Paper complex in Ruzomberok, major overhaul of blast furnace No 2 in the East Slovak Iron Works and other projects effectively help fulfill construction tasks on time and in good quality, and increase discipline in supplier-customer relations. Exemplary experiences in the organization of honoring of the combined socialist pledge on the construction of nuclear power plant V 1 at Jaslovske Bohunice must be used also in the construction not only of V 2, but also in the construction of the nuclear power plant at Mochovce.

Several industrial organizations recently adopted combined socialist pledges for the quality of final products designed for exports and the domestic market. Although some good results were achieved in honoring these commitments, they are not commensurate to the effort exerted. Many final products do not have the required quality or technical standard. Only 10.1 percent of products manufactured in Slovakia during the first 9 months of 1981 were included in the first-quality class, which was unfavorably reflected not only on the domestic market, but also in foreign trade. For this reason, we appeal from this congress tribune to the organs and officials of trade union associations and factory committees and ask them to pay special attention to this strategic task.

Some good results were also achieved in expanding international socialist competition, in the application of progressive Soviet methods and experiences such as the Saratov Zero-Defect System, Lvov system of comprehensive quality control, Zlobin method of brigade khozraschet, Shchekino experiment and others.

The common denominator of initiative was and is the self-sacrificing work and determination of most blue-collar workers, engineers and technicians to actively participate in the implementation of planned tasks, in increasing efficiency and quality, in improving the export competitiveness of our economy, in more effective use and conservation of fuels, raw and industrial materials, energy, agricultural raw materials, fodder and food.

For all these reasons, the congress wants to express thanks to all workers for their self-sacrificing work and honest fulfillment of demanding tasks in honor of the 10th All-Trade Union Congress.

The movement of brigades of socialist labor is the most important form of worker initiative at the present time. Its strength lies in the fact that it combines diverse forms of creative activity with the formation of the personality of the socialist man. If they properly direct their activity, the collectives of BSP possess all prerequisites for finding and applying progressive forms of work, for improving science and technology, for making the economic and educational function of socialist competition more effective.

Despite many positive results in the development of initiative, we have not succeeded in effectively combating some manifestations of formalism. Its causes vary. It frequently stems from the incorrect orientation of worker initiative, from the low standard of intraenterprise planning, management and

work, from the incorrect interpretation of socialist competition and its Leninist principles. Frequently, more importance is attributed to the external effect of competition than to its economic and educational effect. Preferring quantity to quality injects an element of formalism also in socialist competition. Formalism in socialist competition occasionally frequently results in a situation in which the socialist pledges are surpassed, but the plan is not fulfilled.

Worker Participation in Management

Since our last congress, we have also registered a turn for the better in increased worker participation in the drawing up and implementation of the plan and control over its fulfillment. The number of production conferences and of proposals submitted at them has increased. We have achieved an improvement in this area, too. On the other hand, we did not succeed in applying, on the desirable scale, the counterplanning to the plan drafts for this year, either. The reason for this is still unsatisfactory situation in supplier-customer relations and, in many instances, also the failure to reflect the principles of counterplanning in intraenterprise khozraschet. The association organs must draw conclusions from these defects of counterplanning and enact the necessary corrective measures.

At the 16th CPCZ Congress, the general secretary of the CPCZ Central Committee, Comrade Gustav Husak, stated: "Care for increasing initiative and socialist competition of workers will continue to be among the ROH's foremost tasks in the future. It will depend to a considerable extent upon the trade unions how people's initiative will develop in our country. We must not allow the activity and self-sacrificing work of the working people to be depreciated by formalism, excessive paper work and defective work organization and management." It is not only the number of comprehensive rationalization brigades, the quantity of innovating proposals, but concrete results and their effect which must become the criterion of effectiveness of work and creative initiative of individuals and work collectives, and of evaluation of their results.

The further bolstering up of the economic function of trade unions requires raising the organizational standard and intensification of worker initiative. In cooperation with the trade unions and the SSM, economic management must more purposefully direct the worker initiative, competing collectives, and BSP to the key tasks of the plan for the plants, enterprises and entire sectors. We ask the economic organs and basic organizations to regularly and publicly evaluate the results of worker initiative to reward them justly both morally and materially, to propagate and publicize good examples and experiences. Only in this way can worker initiative contribute to a substantial increase in the efficiency of the national economy.

A fundamental turnabout in the organization of socialist competition must be achieved in the preproduction stages, in the research, development, engineering and design organizations, among the engineering-technical, research and scientific workers, particularly by promotion of individual and collective creative plans of engineering-technical and management personnel.

We regard it to be an important task to further develop, improve and make consistent use of scientific and technical achievements. In this respect, an irreplaceable place is occupied by the technical creative initiative of workers which is most conspicuously reflected in the inventors and innovators movement and in the activity of comprehensive rationalization brigades. The social effect of the applied inventions and innovators proposals represented Kcs 8.81 billion, as contrasted with the original estimate of Kcs 7.5 billion, during the Sixth Five-Year Plan. These results were made possible also by the inventors and innovators--millionaires, more than 350 of whom are in the SSR today. They merit our thanks. We are convinced that their example will be followed by others.

Reserves in Innovation

Despite the positive results, however, some shortcomings persist in the inventors and innovators movement. In this area we lag behind the results achieved by the trade unions in the CSR. The reasons for it are to be found in the inadequate concern of economic organs for the development and utilization of this movement, in the nonobservance of the law on innovators proposals, in the insufficient regulation and utilization of topical planning. That reserves exist in this area is borne out by the fact that in the GDR, for example, every third worker is an innovator, but only every 10th or 12th worker in our country.

In order to make this movement more effective, it is necessary to direct the program of planned production and implementation of inventions and innovators proposals, the topical plans of plants, enterprises and economic production units to the more effective use and conservation of fuels, raw materials, fodder, industrial materials and energy, to increased labor productivity, to better quality and technical standard of products, and to providing adequate food to the population. Through the joint action of state, economic and mass organizations the social benefit should amount to Kcs 2.3 billion in 1982, and conditions should be created for attaining the social benefit of at least Kcs 11 billion from the use of inventions, innovators proposals and industrial models during the Seventh Five-Year Plan. To achieve this goal, the economic organizations, together with appropriate trade union organs and organizations, the SSM and the Czechoslovak Scientific and Technological Society, must work out in detail the programs of inventions and innovators proposals and enact appropriate measures every year.

International socialist competitions create conditions for better utilization of the advantages of socialist economic integration, economic and scientific-technical cooperation with the CEMA countries and particularly with the Soviet Union. However, this competition must be directed to the key tasks ensuring from the needs of our economy, cooperation, specialization and integration, from the international agreements and contracts among the CEMA countries. By this form of initiative, we will support the implementation of tasks of the long-term program of specialization and cooperation with the Soviet Union, but also establish direct contact between our economic production units [VHJ] and enterprises and their partners in CEMA countries, and particularly the Soviet Union, as was again pointed out by Comrade Lenart at the CPSL Congress.

The principles formulated by the CSSR Government and URO on worker participation in the drawing up, implementation and checks on the fulfillment of the plan make it imperative to increase the standard and effectiveness of production conferences, to give them the correct orientation and to make better use of the creative capacity of inventors and innovators, of initiative of comprehensive rationalization brigades and BSP. For this reason, we ask all management workers to acquaint the workers regularly and in an intelligible way with the tasks of the enterprise, plant, organization, their own workplace, and to win them over for their implementation. We must not tolerate the practice of discussing the draft and implementation of the plan only at meetings of the factory committee. The implementation of the plan must be discussed regularly in the work collectives, in the BSP, at production conferences and membership meetings or conferences. We shall uncompromisingly insist on that.

It is necessary to hold production conferences regularly, to improve their agenda, to make them more effective and to increase the responsibility of economic workers for handling and implementation of workers comments and suggestions.

In cooperation with the economic organs, we must pay increased attention to collective agreements, which are an important tool for the economic development, and concern for workers and their socialist education. Collective agreements are a time-tested form of cooperation and coordinated action of economic management with the trade union organization in the VHM, enterprises and plants. They must contain specific obligations and measures of contracting parties in regard to the implementation of the plan, financial incentives, comprehensive care for workers, including their education. Experiences demonstrate that there are many shortcomings in handling of collective agreements. We shall pay more attention not only to their preparation, but also to their implementation by exercising regular public control.

Remuneration Linked to Results

The "Set of Measures for Improving the Planned Management System of the National Economy" creates conditions and possibilities for a more consistent and more effective use of the trade unions' right to exert the influence of the working class and other working people over the management and implementation of wage policy. It is necessary, however, to enforce the principle of merit and justified wage differentiation in order to closely link the remuneration for work performed to the concrete results and quality of work.

The entire system of remuneration and everyday wage practice must more effectively support the implementation of demanding tasks in the economy, particularly in increasing production efficiency and quality of products.

Despite the effort of trade union organs, however, we have not been able to fully implement specified intentions in this area of our work. In the area of wage policy, the political-organizational work of trade unions did not appropriately increase with reference to more demanding tasks. The economic sphere is also very slow in directing the workers' financial incentives to

production efficiency and quality of work. Shortcomings in wage practice undermine the effectiveness of financial incentives. The trade union organs do not sufficiently exercise their rights in this respect. In relation to the appropriate economic partners, they do not exert necessary pressure to defend the socialist principles of remuneration.

The organs of trade union associations in particular must more effectively cooperate with the economic organs in rendering the wage system economically more effective. They must create a social climate in which creative, efficient and conscientious work is highly appreciated and financially rewarded. And vice versa: inferior, second-rate, deficient work must be pilloried and the people failing to fulfill their duties must be called to account. We will fully support the formulation for enterprises of those principles of financial incentives which stimulate even in preproduction stages, manufacture of technically progressive products of the highest possible quality.

The "Set of Measures" correctly underlines the role of khozraschet. Its consistent integration with the improved intraenterprise planning creates prerequisites for workers to understand their tasks and to be justly rewarded for good results of their work and management. In other words, this will put an end to the conciliatory attitude toward the inconsistent application of specific khozraschet principles and to the strictly formal approach to workers initiative.

We will fully support the verification and application of brigade forms of work organization and remuneration. The examples of some enterprises in the construction, chemical and engineering industries and agriculture which already employ some of its features demonstrate that this is the correct approach to improving work organization and management, to remuneration according to merit. The khozraschet conditions will have to be created for the work collectives and individual workers will have to master several jobs.

The struggle for a more pronounced wage differentiation and development of labor rationalization is not a fashionable slogan, but an economic necessity. The trade union organs will have to examine more strictly than in the past whether the large amount of overtime work, particularly in transportation and industry, is justified. They must actively cooperate in the purposeful distribution of labor force with reference to worker qualification and in creating proper work and living conditions in new workplaces. We support the government program for raising the standard of management, reducing the administrative apparatus and in this connection also for reducing the amount of paper work at all levels of management.

Care for People

As emphasized by the 16th CPCZ Congress and CPSL Congress in March 1981, the goal of the Communist Party policy is not only to maintain, but also improve the living standard of people and their social security in accordance with the development of the national economy. We do not judge the living standard in the socialist society, of course, by the level of personal consumption and material security only, but also by the society's overall concern for the work, living, social, health and cultural conditions of peoples' life and work which are financed from the social consumption funds.

Also in the area of concern for workers, we must make a transition from extensive to intensive development. We must systematically increase the effectiveness of funds spent on social measures, purposefully coordinate these funds and link them to the needs of the people and our economy.

The results which we have achieved in care for workers during the last period are by no means negligible. The rate of occupational injuries continued to decline; more workers took their meals in factory cafeterias; there was a substantial increase in the capacity of factory daytime nurseries for children as well as in the participation of workers and their family members in individual forms of recreation financed by the trade unions.

The trade union organs and organizations increased their activity and initiative in the implementation of enterprise social policy. The number of voluntary inspectors of labor safety in the plants doubled, the number of mandatory instructions issued by the factory committees tripled. The participation of workers in observance of labor safety increased.

The innovators initiative increased in the area of work and living conditions, competition unfolded among workers at factory cafeterias, and the campaign "Trade Unionists' Gift to Their Plants and to the Republic" flourished. In this campaign, voluntary brigades worked approximately 20 million man-hours annually.

We must admit, however, that the state organs, economic management of enterprises and plants as well as factory committees and higher trade union organs did not do everything that was within their possibilities. A serious warning for us should be the accidents in mines and the chemical industry, but also the inadequate care for work conditions in some enterprises and polluted living environment in several industrial centers, such as the SSR capital of Bratislava, Ziar nad Hronom, in the magnesite industry and elsewhere.

For these reasons, we will continue to regard as the foremost task in the area of concern for workers in the future to be concern for health protection and labor safety, for further improvement of work and living conditions, particularly for female and young workers. We must demonstrate more determination in the implementation of measures aimed at the reduction of the number of hazardous workplaces. With more effective assistance from the state and economic organs, we must handle critical comments by workers regarding the shortage, assortment and quality of personal protective devices, but must also train the workers to handle these protective devices allocated to them carefully and economically.

We can achieve better results in the struggle against occupational injuries also by a more consistent discharge of the trade union function of social control. We must more systematically introduce in practice the three-stage control over labor safety, which must become an integral part of everyday management by economic workers, and of systematic work of trade union officials. The rights which the society entrusted to trade unions must be more effectively exercised for creating appropriate work conditions.

The scope of factory health care is to expand so that instead of the present 62 percent, 75 percent of all workers will be covered by 1990. To achieve this goal, we must combine the funds for financing construction of joint facilities and improving health care services. Likewise it is necessary to improve the social structure of participants selected for medical treatment in spas and to keep the scope of temporary disability within the biologically justified limits.

The development of factory catering must be primarily directed to the full utilization of existing capacities and more rapid introduction of progressive methods of preparation of meals. Together with the national committees, we must gradually apply the "Principles of Territorial Management of Factory Catering" and purposefully coordinate all forms of public catering in order to make production of meals more efficient. We emphasize it is the task not only of trade unions, but of state and economic organs in the first place to see to it that workers are served warm meals in their workplaces.

We face great tasks also in further improvement of work and living conditions for women. We shall insist that both laborious work in handling loads exceeding specified limits and overtime and night work for women be reduced in all sectors.

We will see to it that the enterprises participate on a larger scale than in the past in construction of preschool establishments for children and, in cooperation with the national committees, promptly solve the problems in food supply, services and in transportation of workers commuting between their places of residence and plants. The economy measures necessitated by the conservation of motor fuel call for more conscientious work, greater discipline and better management of transportation enterprises.

Let Us Not Forget Living Environment

We shall continue to direct the work of voluntary brigades in the future to the improvement of the environment in plants, the areas adjacent to them and new housing developments. We must also pay more consistent attention to environmental protection directly in the plants where harmful substances polluting the living environment originate. The technical creative initiative of workers must, therefore, also be more oriented to the fulfillment of these tasks.

An important form of trade union concern for workers is recreation. We shall continue to expand its individual forms and improve its content. In selection of participants we shall pay more attention to their merit so that more blue-collar workers participate in it and the existing enterprise facilities are also used off the main seasons for the recreation of workers and their children.

We will pay special attention to the justified needs of workers in the SSR capital of Bratislava, particularly to the stabilization of the young labor force, expansion of the retail trade network, services and health care. We will actively participate in the implementation of measures enacted by the party and state organs which aim at improving the environment in Bratislava.

An integral part of overall care for workers and the manifestation of the effort of trade union organs to observe socialist legality is the defense of their legal rights and legitimate interests. The trade union organs also achieved some positive results in this area of their activity. In the future, however, it will be necessary to pay more attention to the systematic settlement of workers complaints and elimination of their causes. Closely related to this is the duty of trade union organs to guide the workers to the fulfillment of duties in the process of social labor, particularly to the observance of work, wage, technological, financial and economic discipline and to an irreconcilable attitude toward those who violate it.

With close ties to economic propaganda, we must direct also legal education and propaganda which we expect to develop and intensify the legal conscientiousness of workers in order to increase their respect for laws and thus act in accordance with the requirements of our socialist legal system.

An important authority of trade union organs in the protection of the lawful rights of workers is the social control over the observance of labor-law provisions. Although good results were achieved in this area, it will be necessary to improve this activity, especially in the basic organizations, and to lay greater emphasis on systematic subsequent control.

In health insurance, we shall guide workers to conscientious use of funds earmarked for health insurance benefits and improve their administration. In social security, we shall further improve consulting service by the national insurance commissions and also care for handicapped workers.

The further improvement of the living standard of workers is based on the measures in enterprise social policy included in the plans for cadre training and personal and social development. The trade union organs and organizations must see to it that these plans are drawn up, implemented and checked with the participation of the largest possible number of workers in closest cooperation with the national committees, and that they cover all aspects of people's life.

Improving Educational Standards

The 15th Plenum of the CPCZ Central Committee in 1980 and subsequent meetings of the CPSL Central Committee, URO and the SOR emphasized that by educational work developing socialist consciousness of workers was one of the key tasks of trade unions. This educational work must stem from the everyday revolutionary struggle for conscientious work, conscious work discipline and strengthening of socialist relations among people. It must be so conceived that the workers acquire the scientific view of the world. It must actively and effectively contribute to the expansion of international relations between our nation and ethnic minorities, of friendship with workers in the countries of the socialist community, and more aggressively combat the influences of bourgeois ideology.

We have made another step forward in training and education of members and officials since our last congress. The trade unions attained the goal set by

the Ninth All-Trade Union Congress--to furnish political and economic education to the overwhelming majority of members.

It is imperative that mass training and education of trade union members achieve a higher standard. We must scrupulously review its results and make it more effective. The increase in trade union educational work requires strengthening of ties to party ideological work and cooperation with the houses of political education. In terms of cadres and the material-technical aspect, the centers of trade union education must pay more attention to the needs and demanding nature of trade union educational work.

Training and education in trade union sections and at schools of socialist labor must be more closely linked to practical life and the tasks faced by individual workplaces. Only thus can education be effective and attractive. It will also be necessary in the future to train instructors, propagandists and organizers, to create the necessary material and technical conditions for training laid down by the URO resolutions.

The Slovak Trade Union School of Frantisek Zupka has an important place in the training and educational system for trade union officials. In accordance with the resolution of the Ninth All-Trade Union Congress, it contributed to better training of activist officials. The solution of new and more complex problems at the present stage of our society's development, however, makes it imperative to further improve the educational process, to develop additional forms of study following the "maturita" examination and thus to pave the way for college education of trade unionists.

Although the standard of economic propaganda and agitation has improved, we cannot be satisfied with its effectiveness. In many plants it does not take into account the specific situation in individual workplaces and frequently lacks the principal feature--a critical look at the shortcomings in work and technological discipline as well as in relations among people. Some factory committees do not possess the necessary influence on the content of economic propaganda and agitation, and do not sufficiently use it for promotion of socialist competition, for publicizing new progressive forms of work, for popularizing the best workers and for affecting efficiency, quality and economy.

Together with the SSM, the trade unions occupy an extraordinarily important position in the class and political education of young apprentices and blue-collar workers. Education of young apprentices and blue-collar workers is the foremost task of trade unions in the area of education. By their work, the trade unions contribute to their political consciousness, to their acquiring the characteristic traits of the working class such as discipline, organization, love for job and collectivism. We shall continue to support and further develop the movement of working-class educators and appreciate their meritorious activity.

The work collective exerts major influence on forming the personality of the socialist man. The socialist work collective fuses most convincingly individual interests with the interests of the society and forms the basic

relationship of the individual to the collective. The work collective is the place for purposeful, work, political, class, moral and world-view education of the socialist man. The BSP are examples of such collectives in the first place. For this reason, we shall also pay the necessary attention to them in the future, and through them educate the working class.

Scientific research centers can effectively help in the socialist education of young blue-collar workers. In cooperation with the SAV [Slovak Academy of Sciences] Institute of Philosophy and Sociology, we organized scientific and practical conferences on young apprentices and blue-collar workers, and conducted research on the effectiveness of trade union education in schools of socialist labor.

Factory clubs and houses of culture are important centers of trade union cultural and educational work. Among them is also the ROH House in which our congress is taking place. The activity of cultural-educational establishments must realistically emanate from the increasingly demanding tasks of cultural development and by its results contribute to the implementation of a unified socialist cultural policy under the specific conditions of trade union work. In this area, we must expand our cooperation with the national committees and organizations of the National Front.

The trade union press is an important helper of trade unions in promoting socialist consciousness. It must bring up-to-date information to workers, must be the propagator of exemplary work achievements by collectives and individuals, but also a place for constructive criticism of shortcomings. It is the duty of the trade union press to help in every possible way to educate members and to increase their work initiative and social and political commitment.

The many-sided work of trade unions in education helps develop and enhance the personality of the socialist man, his socialist life style, and the socialist consciousness of workers in order to make them more active participants in building the developed socialist society.

Method of Critical Analysis

As the analytical report which is in your hands describes in detail, many positive results were achieved in political-organizational work during the last period. The organs of the SOR worked more purposefully under URO guidance and tried to apply the method of critical analysis and intensive political commitment to their work. They insisted on the more consistent application of the principle of democratic centralism, of the Leninist style, methods and forms of work in the activities of trade union organs and organizations. They saw to it that all all-trade union and association trade union organs tried to improve the political-professional training of officials and workers in accordance with the long-term plans of training and education of cadres.

In management, coordination and control of activities of the Slovak committees of trade union associations, the SOR took into account the tasks of the entire sector and followed the guidelines formulated by the central committee

of trade union associations. It oriented the Slovak committee of trade union associations, kraj trade union councils and other trade union organs and basic organizations to more intensive cooperation with the state and economic organs in the implementation of resolutions of the Ninth All-Trade Union Congress and URO. The SOR closely cooperated with the organs and organizations of the National Front.

The SOR regarded as the basic task in this area to make management and political-organizational work more effective. After the Seventh URO Plenum, it adopted a set of measures for improving trade union work and making it more effective. The discussion of these problems was on the agenda of several meetings of the SOR during the preceding period. The improvement, efficiency and political effect of trade union work was also dealt with by the Slovak committees of associations and other association and all-trade union organs in the krajs and okreses and most of the basic organizations.

We have adjusted to the present conditions also the organizational structure of trade union sectors which constitute the key unit of trade union activity. In accordance with the URO resolutions, the organs of the SOR promoted the strengthening of ideological, action and organizational unity of our trade unions, and developed purposeful effort to increase the action capacity of basic organizations. In order to discharge economic functions better, the division of labor among the all-trade union and association organs expanded. As a result, political-organizational work has become more effective and trade union activities more concrete and more purposeful.

Despite positive results, we have not succeeded in eliminating all shortcomings persisting in the approach to the fulfillment of tasks, in style, methods and forms of work in basic organizations, association and all-trade organs as well as in work of individual officials and workers. Some trade union organs and officials do not provide the necessary differentiated assistance to the basic organizations. Although most of the trade union members appreciate their activity, they draw attention to the fact that they do not always promptly respond to their comments. It is our duty to establish closer ties to workers, to follow up and heed their critical comments and suggestions.

The activity of more than 2 million members depends in the first place upon the standard of work of more than 8,000 basic organizations and their officials. As a result, the factory committees face a responsible task: to create the best possible conditions for the participation of members in the life and work of basic organizations. The trade union membership meetings are among the main tools for promoting democracy in trade unions and an important form of worker participation in production management and administration. The membership meeting must become a place where everybody can express his opinion on his own and other people's work, on the achievements of his plant or enterprise, and its care for workers. Only thus will the membership meeting become a place where the members reach agreement on the implementation of party policy and improvement of trade union activities.

In the future, too, the SOR will direct attention of trade union organs and organizations to improving the work of trade union sectors. It will ask the

factory and shop committees to consistently supervise activities of trade union sectors and shop stewards because they are of greatest importance to the potential action, fulfillment of tasks and mission of socialist trade unions.

It is necessary to improve management and coordination of all-trade union organs, and activity of trade union association organs must be oriented to the implementation of policy in individual sectors and to increasing cooperation with the state, ministerial and economic organs in the implementation of tasks. The organs of trade union associations must more actively carry out their irreplaceable task in management of basic organizations, but also in discharging of their auxiliary functions. It will, therefore, be necessary to flexibly adapt the organizational structure and work of trade union associations to the economic structure of individual production sectors or production branches.

The ROH statutes approved by the Eighth and revised by the Ninth All-Trade Union Congress proved generally correct. We recommend, however, submitting a proposal for their amendment to the 10th All-Trade Union Congress.

Expansion of International Relations

The most important task that the mankind faces today is the defense of peace.

We regard the struggle for peace as the integral part of our attitude toward the most important problems of the class-divided world. We shall, therefore, more intensively and more purposefully support the expansion of international relations. Among our workers and among our youth in particular we shall develop the ideas of friendship and brotherhood to the Soviet Union and other countries of the socialist community.

In view of the increasingly fierce attacks of imperialism on the socialist countries and particularly the Soviet Union and its Communist Party, we regard it as necessary to promote and apply even more intensively proletarian internationalism in our trade union work, proletarian solidarity with the struggle of the working class in the capitalist countries, with their national liberation movement, with the struggle for human conditions of life and work.

We are determined to further develop proletarian internationalism and trade union solidarity with all progressive movements of the world, in the first place, however, with those which are members of the WFTU, which held its historic 10th World Trade Union Congress in Havana several days ago. The significance of this congress was especially dwelled upon by the general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, Comrade L. I. Brezhnev. In his message to the participants of the 10th World Trade Union Congress, Comrade Brezhnev emphasized: "The principal role of trade unions is the protection of workers rights. The most important among them is the right to live in peace. This right is threatened now."

The characteristic tendency in the present international situation is the heightening of tension due to the aggressive policy of the most reactionary

circles of contemporary imperialism headed by the United States of America, a policy now switched to a policy of confrontation. The Reagan administration pinned far-reaching hopes on the actions of the counterrevolutionary forces in Poland against the socialist regime, but these hopes did not materialize. This produced incredible hysteria both among some bourgeois statemen and the bourgeois news media.

During the present period, our internationalism must be reflected in concrete unselfish support and assistance to the Polish working class in its struggle for protection of the achievements of socialism against the counterrevolutionary forces rallied around Solidarity and against world imperialism. From the events in Poland, we must draw the lesson that the unity of socialist trade unions in action and organization is an important factor in the unity of the socialist society, and that democracy in trade unions is an important feature in the strengthening and development of socialist democracy in the life of our people and state.

In concluding the report of the SOR to the Slovak ROH Congress, I want to assure the CPCZ Central Committee, the CPSL Central Committee and URO that the trade unionists in Slovakia are determined to continue in their effort to implement the program of the 16th CPCZ Congress as will be shown in the results of the 10th All-Trade Union Congress.

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YOUTH WORK PLACEMENT, APPRENTICESHIP TRENDS FOR 1975-1980 DESCRIBED

Prague STATISTIKA in Czech No 12, 1981 pp 552-558

[Review by Eva Vlckova: "Placement of Adolescents and Training of Youth for Jobs in 1975-1980"]

[Text] Planned placement of adolescents and their integration in the labor process are essential preconditions for achieving the optimum structure in the work forces. Until 1979, the sources of youths ending their mandatory school attendance and available for placement were continuously rising, due above all to a higher number of 14-year-old adolescents included in the placement plan. Despite the steadily rising number of 14-year-old youths whose share in the total numbers of youth had already reached 37.5 percent, in 1980 the absolute number of youth was already declining (it was a year when youths born in 1965 were reaching 15 years of age; 1965 marked the beginning of a gradually declining birth rate).

Table 1. Development of Sources for Youth Placement in 1975-1980

Year 15.12 ¹	Youth total	Of whom		Of all youths		
		Boys	Girls	15- year- old	14- year- old	Older appli- cants ²
1975	210,255	107,855	102,400	201,603	6,000	2,652
1976	218,249	110,391	107,858	200,153	15,577	2,519
1977	222,088	112,836	109,252	192,200	27,393	2,495
1978	238,219	122,878	115,341	190,443	45,560	2,216
1979	257,366	134,227	123,139	184,713	70,514	2,139
1980	245,166	127,311	117,855	150,982	91,845	2,339

1. In 1979 and 1980, as of 31 October in the CSR, and as of 1 October in the SSR.
2. Adolescents who had not been employed over the past year and who requested placement during the current year, among them also some of the youths who stayed with their parents or who could not be placed.

In 1980, the sources of youth were up by 35,000 persons over 1975, i.e., 16.6 percent. As compared with 1979, however, the sources in 1980 were down by

12,000 persons, i.e., 4.9 percent. During the whole Sixth Five-Year Plan 1,181,000 boys and girls completed their basic 9-year study course.

When evaluating the sources of youth in terms of quality, distinction must be made between adolescents who completed their basic education and adolescents who completed obligatory school attendance in grades lower than the ninth grade of the basic 9-year school [ZDS] (and who, therefore, had not finished the obligatory school course) and adolescents attending special schools.

In total sources, the number and share of 15-year-old youths with unfinished basic education markedly declined from 1975 to 1980 (their share in 1975 was 12.5 percent and in 1980, 5 percent). Girls are leaving in the lower grades of the ZDS far less frequently than boys; in 1975, 9.8 percent of all girls and 15.1 percent of all boys failed to finish their basic education, as had only 4.0 percent of the girls and 5.9 percent of the boys in 1980.

Table 2. Structure of Sources for Placement of Youth in 1975-1980

Indicator	1975			1980		
	Youth total	Of which girls Abs.	Percent	Youth total	Of which girls Abs.	Percent
Sources total abs.	210,255	102,400	48.7	245,166	117,855	48.1
Of which:						
Graduates of 9th grade of ZDS						
abs.	175,009	88,984	50.8	132,407	66,944	50.6
percent	83.3	86.9	x	54.0	56.8	x
Graduates of 8th grade of ZDS						
abs.	16,861	6,625	39.3	8,083	3,061	37.9
percent	8.0	6.5	x	3.3	2.6	x
Graduates of 7th and lower grades of ZDS						
abs.	9,456	3,413	36.1	4,084	1,656	40.5
percent	4.5	3.3	x	1.7	1.4	x
Graduates of special schools						
abs.	6,277	2,144	34.2	6,408	2,481	38.7
percent	3.0	2.1	x	2.6	2.1	x
Older applicants ¹						
abs.	2,652	1,234	46.5	2,339	943	40.3
percent	1.2	1.2	x	0.9	0.8	x
Graduates of 8th grade admitted to selective schools and for apprenticeship						
abs.	.2	.	.	91,856	42,770	46.6
percent	.	.	x	37.5	36.3	x

1. Youths not placed over the past year and those who applied for placement in the current year (among them also some adolescents who remained with their parents or who were unable to be placed)
2. Not reviewed in 1975, estimated 6,000 persons.

With a slightly higher absolute number of the youth from special schools, its share in the total number of placements declined (from 3.0 percent in 1975 to 2.6 percent in 1980).

The number and share of teenagers, particularly 14-year-old, admitted to selective schools and apprenticeship sharply increased. While, according to an estimate, the share of 14-year-olds in 1975 was only 2.9 percent of total sources, in 1980 that share was as high as 37.5 percent. In 1980, 92,000 14-year-olds were admitted to selective schools and to training institutions, while according to the estimate only 6,000 had been admitted in 1975.

Therefore, the above data indicate that the quality of the sources of youth has improved. The share of the adolescents who finished their basic education was up from 84.5 percent in 1975 to 92.4 percent in 1980. For girls that share was up from 88.1 percent in 1975 to 93.9 percent in 1980, which shows that far more girls than boys have completed their basic education.

The total number of teenagers placed in selective schools, apprenticeship and jobs increased 18.2 percent from 1975 to 1980 (from 204,773 persons in 1975 to 242,016 persons in 1980).

The number of 15-year-old students who continued their education in the ZDS declined from 1975 to 1980 by roughly one-half (from 2,860 to 1,304). Furthermore, the number of teenagers unsuitable for placement markedly declined (from 2,439 persons in 1975 to 1,449 in 1980). Each year approximately 1 per 1,000 of the total sources has not been placed.

Table 3.

Indicator	1975			1980		
	Youth total	Of which girls Abs.	Percent	Youth total	Of which girls Abs.	Percent
	210,255	102,400	48.7	245,166	117,855	48.1
abs.	210,072	102,244	48.7	244,769	117,617	48.1
percent	99.9	99.8	x	99.8	99.8	x
abs.	74,219	46,974	63.3	97,225	59,657	61.4
percent	35.3	45.9	x	39.7	50.6	x
abs.	27,985	17,296	61.8	38,690	23,844	61.6
percent	13.3	16.9	x	15.8	20.2	x
abs.	42,916	26,376	61.5	57,617	34,911	60.6
percent	20.4	25.8	x	23.5	29.6	x

[Table continued on following page]

Indicator	1975			1980		
	Youth total	Of which girls		Youth total	Of which girls	
		Abs.	Percent		Abs.	Percent
abs.	3,318	3,302	99.5	918	902	98.3
percent	1.6	3.2	x	0.4	0.8	x
abs.	119,565	43,493	36.4	137,950	51,433	37.3
percent	56.8	42.4	x	56.2	43.7	x
abs.	10,989	8,599	78.3	6,841	4,994	73.0
percent	5.2	8.4	x	2.8	4.2	x
abs.	2,860	1,439	50.3	1,304	660	50.6
percent	1.4	1.4	x	0.5	0.6	x
abs.	2,439	1,739	71.3	1,449	873	60.2
percent	1.2	1.7	x	0.6	0.7	x
abs.	183	156	85.2	397	238	59.9
percent	0.1	0.2	x	0.2	0.2	x

The above data indicate our youth's rising interest in study in selective schools which in 1980 admitted 97,000 boys and girls, i.e., one-third more than in 1975. For that reason, the share of adolescents placed in selective schools increased from 35.3 to 39.7 percent. For girls, the share is even higher--in 1980, it was 50.6 percent of all girls placed, while in 1975 it amounted to 45.9 percent. The higher interest of girls in study in selective schools is further evident from the fact that while the share of girls in total sources of youth was about 48 percent, the share of girls among all youth placed in selective schools was over 60 percent.

Most interest is focused on the study course in sec. ary vocational schools in which 57.8 percent of the youth admitted to all types of selective schools were placed in 1975 and as many as 59.3 percent (i.e., 58,000 persons) in 1980. The share of the youth placed in preparatory secondary schools has also risen--from 37.7 percent in 1975 to 39.8 percent (i.e., 39,000 persons) in 1980. On the other hand, the number and share of adolescents admitted to vocational schools dropped considerably (the share in 1975 was 4.5 percent and in 1980, 0.9 percent). In 1980, fewer than 1,000 persons were admitted to such schools as compared with more than 3,000 persons in 1975. It may be said that girls predominated in vocational schools because the share of girls in vocational schools was 99.5 percent in 1975 and 98.3 percent in 1980 (primarily courses of economy and health care).

Despite its absolute growth, the share of the youth admitted to apprenticeship remains on approximately the same level (from 56.8 percent in 1975 it declined in 1980 to 56.2 percent), the share of girls admitted to apprenticeship even slightly increased from 42.4 percent in 1975 to 43.7 percent in 1980. The share of girls among all teenagers placed in training was 36.4

percent in 1975 and as much as 37.3 percent in 1980, due to the fact that the girls had become more interested in apprenticeship and substantially less interested in on-the-job training.

The share of the youth going directly to work dropped considerably, from 5.2 percent in 1975 to 2.8 percent in 1980 (for girls from 8.4 to 4.2 percent, respectively). Among the youth who completed their school attendance and then directly entered the labor process, girls are in an absolute majority (in 1975, 78.3 percent, in 1980 still 73.0 percent). The interest of the youth in direct placement in the labor process has been steadily declining, because increasingly more teenagers have become aware of the growing importance of acquiring vocational skills.

At present, apprenticed youths make up more than one-half of total sources of adolescents who have completed mandatory school education. The development in the number of apprentices and persons who completed training in the years of the Sixth Five-Year Plan is presented in the following table.

Table 4. Development of the Number of Apprentices and Persons Who Completed Training During the Sixth Five-Year Plan

Year	Registered number of apprentices as of 31 December			Apprentices who completed training in a given year		
	Total	Of which girls		Total	Of which girls	
		Abs.	Percent		Abs.	Percent
1975	334,697	112,381	33.6	117,720	39,038	33.2
1976	331,240	114,178	34.5	112,360	38,360	34.1
1977	337,656	117,816	34.9	104,822	36,852	35.2
1978	350,507	122,654	35.0	104,606	37,701	36.0
1979	373,442	130,156	34.8	105,306	38,538	36.6
1980	392,461	136,622	34.8	103,721	37,979	36.6

From the review it appears that in 1980 the registered number of apprentices was 57,764 higher than in 1975, i.e., 17.3 percent; the number of girls was up 24,241 persons, i.e., as much as 21.6 percent. After 1975, the number of apprentices in training sectors graduating with examination of maturity and in the newly organized vocational sectors in secondary vocational institutions markedly increased (45,000 apprentices were trained in those sectors in 1980, as compared with a mere 5,000 in 1975).

On the other hand, the number of apprentices who completed their training was steadily declining: from 1975 to 1980 the number of trained persons decreased by 13,999, i.e., 11.9 percent; the number of girls who completed their training declined by 1,059 persons, i.e., 2.7 percent. In 1975-1980, the reason for the growing registered number of apprentices, on the one hand, and the declining number of persons who completed the training course, on the other hand, was, as mentioned above, the higher number of apprentices entering the newly organized training sectors with a longer training course, and the 4-year training sectors ending with maturity examinations, as well as the fact that in the early years of the Sixth Five-Year Plan apprentices who had been

admitted to training courses during the Fifth Five-Year Plan were completing their training; during the Fifth Five-Year Plan the recruitment was much less extensive because it concerned placement of classes born in the late 1950's and early 1960's which was a period of low birth rate.

As a result of the implementation of the decisions issued by the 1973 plenum of the CPCZ Central Committee, which in conjunction with the decisions of the 14th Congress dealt with problems of socialist education of our young generation and its preparation for life and work in an advanced socialist society, during the Sixth Five-Year Plan the apprentice school system was adapted not only to the current but also to the projected future needs of our national economy because, after all, today's apprentices will still be of fully productive age in the early years of the next century.

The system of training sectors and their curricula were therefore adapted to those principles. The number of training sectors was basically reduced. Instead of the original 210 3-year training categories the new system contains only 102 3-year training courses and the number of 2-year training sectors will be cut down to 24 in the 1980's. On the other hand, 23 4-year training sectors ending with maturity examinations are now being introduced. The graduates of the 2- and 3-year training sectors will be able to upgrade their education in 33 courses of study ending with examinations of maturity organized so as to form a unit with the training sectors; however, they are planned on a broader basis and thus, graduates of several training sectors may be educated, as a rule, in the same study course.

From the 1981-1982 academic year, the training of the overwhelming majority of youth in workers trades will concentrate on a single type of educational and training institutions, namely, secondary vocational schools. Toward the end of 1980 a total of 392,000 apprentices, 34.8 percent of them girls, attended vocational schools and institutions.

Table 5. Apprentices According to Categories of Training Sectors in 1975 and 1980 (situation at the end of the year)

Category of training sectors	1975			1980		
	Total	Of which girls		Total	Of which girls	
		Abs.	%		Abs.	%
Total No of apprentices	334,697	112,381	33.6	392,461	136,622	34.8
Of which:						
Assembly, operation and service of production machinery and equipment	15,551	989	6.4	30,254	2,469	8.2
Metallurgy, machine engineering and other metal-processing production	106,156	5,989	5.6	115,486	6,210	5.4
Electrical engineering, transportation, postal service and telecommunications	35,789	6,195	17.3	53,072	9,716	18.3

[Table continued on following page]

Category of training sectors	1975			1980		
	Total	Of which girls Abs.	%	Total	Of which girls Abs.	%
Technical chemistry of silicates	2,601	1,853	71.2	3,530	2,573	72.9
Other technical chemistry, food industry and printing	16,356	9,650	59.0	18,579	12,043	64.8
Textile and garment industry	23,063	22,610	98.0	27,433	27,046	98.6
Wood processing, manufacture of musical instruments, leather processing and shoe industry	13,282	4,034	30.4	16,109	4,775	29.6
Construction industry and land surveying	45,066	27	0.1	38,131	11	0.0
Agriculture and forest economy	12,105	6,567	54.2	15,701	8,666	55.2
Health services	63	23	36.5	80	46	57.5
Economy and organization, trade and services	64,285	54,307	84.5	73,443	62,737	85.4
Arts, applied arts, handicrafts and craft manufacture	380	137	36.1	643	330	51.3

Most apprentices are training for their future occupations in the following categories of vocational sectors: "metallurgy, machine engineering and other metal-processing production," then in "economy and organization, trade and services" and in "construction industry and surveying." Apprentices training in these three categories of vocational sectors made up almost 65 percent of all apprentices in 1975 and 58 percent in 1980.

Nearly 70 percent of all female apprentices are training in two categories of the vocational sectors, namely, "economy and organization, trade and services" and "textile and garment industry" (68.4 percent of all girls in 1975 and 65.7 percent in 1980). From 1975 to 1980, the share of girls was approximately in the 98 percent range in the category "textile and garment industry" and about 85 percent in the category "economy and organization, trade and services." In 1980, more than one-half of the girls were training in the sectors "technical chemistry of silicates," "other technical chemistry, food industry and printing," "agriculture and forest industry" and "health care."

On the other hand, most boys found placement in the categories of the vocational sector as follows: "metallurgy, machine engineering and other metal-processing production," "construction industry and land survey" and "electrical engineering, transportation, postal service and telecommunications." Almost 80 percent of all boys (78.6 percent of all boys in 1975 and 74.6 percent in 1980) were training in these three groups. The share of boys exceeds 90 percent in the categories "assembly, operation and service of production machinery and equipment" (91.2 percent in 1980), "metallurgy, machine engineering and other metal-processing production" (94.6 percent),

and in the category "construction industry and surveying" it reaches a full 100 percent. In 1980, more than one-half of all apprentices were boys in the following apprentice trade groups: electrotechnology, transportation, postal services and telecommunications, wood processing, manufacture of musical instruments, leather processing and shoe manufacture. During the Sixth Five-Year Plan, 530,815 apprentices, of which 189,430 (e.g. 35.7 percent) were girls, graduated from apprentice schools and facilities. These graduates represent almost 42 percent of all persons who became economically active (the similar figure for women amounts to less than 29 percent) during the Sixth Five-Year Plan. Data on apprentices who graduated during 1975-1980 in individual apprentice trade groups are included in Table 6.

Table 6. Number of Apprentices Who Completed Training in 1975-1980, According to the Categories of Vocational Sectors

Category of vocations	1975			1980		
	Total	Of which girls Abs.	%	Total	Of which girls Abs.	%
Total No of apprentices	117,720	39,038	33.2	103,721	37,979	36.6
Of which:						
Assembly, operation and service of production machinery and equipment	4,451	362	8.1	5,608	450	8.0
Metallurgy, machine engineering and other metal-processing production	38,224	2,051	5.4	31,820	1,889	5.9
Electrical engineering, transportation, postal service and telecommunications	11,890	2,108	17.7	12,242	2,108	17.2
Technical chemistry of silicates	991	666	67.2	897	664	74.0
Other technical chemistry, food industry and printing	5,620	3,263	58.1	4,749	3,059	64.4
Textile and garment industry	9,352	9,188	98.2	8,779	8,669	98.7
Wood processing, manufacture of musical instruments, leather processing and shoe manufacture	4,707	1,653	35.1	4,767	1,567	32.9
Construction industry and land surveying	16,296	17	0.1	10,797	2	0.0
Agriculture and forest economy	4,531	1,854	40.9	3,567	1,945	54.5
Health services	18	6	33.3	17	11	64.7
Economy and organization, trade and services	21,498	17,824	82.9	20,306	17,532	86.3
Arts, applied arts, hand-crafts and craft manufacture	142	46	32.4	172	83	48.3

From 1975 to 1980 the number of apprentices who completed their training declined by 13,999, only 7.6 percent of them girls. In 1980 the number of apprentices who completed their training in most of the categories of vocational sectors was lower than in 1975; it was slightly higher only in the categories "assembly, operation and service of machinery and equipment of production," "electrical engineering, transportation, mail service and telecommunications," "wood processing, manufacture of musical instruments, leather processing and shoe manufacture," and "arts, applied arts, hand-crafts and craft manufacture."

The share of girls who completed their training in the total number of apprentices with completed training amounted to 33.2 percent in 1975, while in 1980 their share was as much as 36.6 percent, i.e., 3.4 points up. Due to a relatively low decline in the number of girls in most categories of vocational sectors the share of girls in the total number of apprentices who had completed their training further increased after 1975.

Not all those who had been admitted for training finished the course in vocational schools or institutions and thus, obtained the qualification required for workers jobs. While 9,378 apprentices (3,655 of them girls) interrupted or discontinued their training in 1975, in 1980 as many as 13,626 apprentices (5,448 of them girls) left apprenticeship before completing their training. While 2.8 percent of all apprentices left without completing their training (3.3 percent girls) in 1975, as many as 3.5 percent (4.0 percent girls) did so in 1980.

From the above data, it appears that from 1975 to 1980 the so-called apprenticeship mortality rate was higher for girls than for boys and that the number of school dropouts increased. Most of those apprentices who left before completing their training were released for daytime study in selective schools. Health reasons, unsatisfactory achievement and poor work discipline, change of residence, marriage, etc., may be mentioned among other reasons for discontinuation of apprenticeship.

Placement of adolescents and their integration in the labor process are of special importance at this particular time because the demand for new workers and the replacement of those workers who are leaving the work process due to old age, disability or death are covered mostly from the ranks of our youth. This main source of replacement of work forces has been affected by the adverse development of the birth rate in the 1960's (especially from 1965 through 1967) which was evident--despite the stepped up campaign among 8th-graders, i.e., the 14-year-old--as early as 1980 in the decline of the total sources of youth ending their mandatory school attendance. A decisive reversal in the development of the youth for placement may not be anticipated until after 1985, when the youth born in the early 1970's, i.e., in the period when the birth rate in the CSSR increased due to the implementation of measures encouraging an increase of population, will reach 15 years of age.

COMBINES' FAILURE TO PRODUCE HIGH-QUALITY NEW PRODUCTS CRITICIZED

West German Commentary

West Berlin IWE-TAGESDIENST in German No 39, 12 Mar 82 p 2

[Report from Berlin: "Criticism of Lack of Quality in GDR Industrial Production." A translation of the East Berlin WIRTSCHAFTSWISSENSCHAFT article cited below is published following this report]

[Text] The latest issue of the East Berlin journal WIRTSCHAFTSWISSENSCHAFT [No 3, 1982] criticized the serious lack of quality in GDR industrial production. It called for "significantly greater efforts" by the industrial combines to improve product quality and to come up with new products more quickly to take the place of ones that no longer meet requirements. It is no longer enough merely to increase the volume of production of individual top-quality products; the requirement is for quality production of a wider assortment of goods. It is not infrequent in this regard that "narrow departmental thinking is still encountered" in the enterprises. According to the journal, empirical studies in a number of industrial combines have revealed among other things that the tasks assigned to the research and development departments frequently are not in keeping with the current level of technology. It said that in some instances new products were being put into production that were not ready for that stage; and there are inadequacies in technological production preparations that are resulting in substantial variations in quality.

Wider Assortment Essential

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 30 No 3, Mar 82 (signed to press 15 Jan 82) pp 382-397

[Article by Georg Hoppe, economist, born 1942, research scholar; Ilona Mueller, social scientist, born 1950, research scholar; and Dr Hilmar Schmidt, economist, born 1943, instructor -- all at Institute for Political Economy of Socialism, Academy of Social Sciences, SED Central Committee: "Improving Product Quality and Raising Combine Performance"]

[Text] With the intensive growth of economic performance under changed internal and external conditions, improving the quality of the work and the products decisively determines production growth and ultimately the growth of the national income. Starting from

the higher quality standards derived from the economic strategy for the 1980's, the article discusses and describes practical experiences with some of the related tasks aimed at developing product quality and raising the quality level of production in the combines.

Product quality occupies an important place in the economic strategy of the 10th SED Party Congress, a strategy that is aimed at substantially increasing the performance of the economy as a prerequisite for continued realization of the policy contained in the main task, one that combines economic and social policy. The principle that "quality work from the GDR" must become in the years ahead an internationally recognized trademark of our ability to produce points up the substantially higher standards that have to be applied to quality development today.¹ It is especially important with reference to product quality that improvements in the quality level of production rest to a much greater degree on topflight performances which, as Erich Honecker stressed at the Third SED Central Committee Plenum, "are distinguished by bold ideas and lead to products and procedures that will provide distinct advantages for the GDR economy and its position on world markets."²

Included here are requirements that go far beyond traditional demands when it comes to improving utility features, reducing outlays and providing foreign currency profitability while quite substantially reducing the time required to develop products and put them into production. The issue here is not one of individual measures designed to improve quality, or of simply continuing former rates of increase in products bearing the "Q" quality label; rather, it is a matter of basic questions of developing an important source for high economic growth under complex reproduction conditions.

On the Role of Product Quality in Realizing Economic Strategy for the 1980's

As Guenter Mittag emphasized, "the growth of production and the national income" in the 1980's has "to be supported largely by improvements in quality and the resulting economic benefits."³ Included in the fundamental changes in the sources of economic growth involved in the sweeping intensification of the economic reproduction process is the fact that improved quality — based on the most advanced results of science and technology and on the more exhaustive use of qualitatively better social labor resources — is becoming a principal means to increased effectiveness. This is why improving product quality numbers among the 10 key elements of economic strategy for the 1980's, and at the same time it has an important influence on the other key elements; it is the focal point where essential processes in the sweeping intensification of the economic reproduction process come together. The following points make this clear:

1. Scientific-technical progress provides opportunities to increase utility value and improve quality to a degree never known before. The use of microelectronics — which, for example, already involves 85 percent of the finished products at the Robotron Combine — results in significant increases in utility value as well as savings of materials, energy and time in the manufacture as well as the use of the products. Frequently, however, this requires a higher quality of work and places greater demands on the quality of single parts and components. The level of the products — to which unerring international standards of quality apply — is a direct indication of the economic use of the products of science and technology.

Consequently, the distinct increase in the degree of economic effectiveness of science and technology -- as called for at the Third SED Central Committee Plenum -- has to be reflected in a far greater share of top-quality products, while product quality is being improved throughout the entire product spectrum, and it has to be demonstrated in a better economic result, in more profound effects on economic effectiveness reaching as far as foreign trade.⁴

2. Improving the quality of products, their technical reliability and product life, is synonymous with reducing production consumption, and it provides far-reaching opportunities for more effective capital reproduction. There are figures that show it is possible to reduce annual replacement requirements by about 20 percent by way of greater product reliability. This alone would correspond to a gain in materials amounting to approximately 150,000 tons of rolled steel, 40,000 tons of cast iron, tempered cast iron and cast steel, 17,000 tons of forgings, 15,000 tons of plastics and resins and 4,000 tons of aluminum each year.⁵ But such aspects of product quality as reliability and product life, or reduction of specific energy and material consumption by the user, are not only prime factors in reducing production consumption; they are also constantly gaining in importance with regard to marketability on foreign markets. For instance, it was pointed out at the conference of the European Organization for Quality Control in June 1981 that polls taken in 14 states show that for 82 percent of the companies polled, product quality is more important than price, or at least equally important. A total of 73 percent of the companies are mainly interested in a high degree of reliability, low maintenance costs and low operating costs, while 5 years ago it was only 32 percent of the customers who valued these particular quality features especially highly. In view of the relentless toughness with which competition on the world market has intensified, and considering the significantly faster turnover of products as a result of the worldwide speedup of scientific-technical progress, the production of more export goods of top international quality is a priority matter in coping with foreign trade problems that have become more difficult.

3. If high-quality end products are to be obtained through refinement -- which means obtaining the best possible result through expert work with available raw materials and materials -- a greater measure of quality work has to be performed in every production sector and in every phase of processing; the quality chain has to be stable throughout all phases of production. Quality production in the preliminary phases is an absolute prerequisite for conducting refinement phase by phase with increasing economy of operation. That the objective of refinement is the highest product quality also has to be reflected in the profitability of foreign exchange, as a decisive criterion for marketability on world markets. The pace and results of refinement are definitively determined by the degree of success in compensating for factors that work against raising the qualitative level of products and reducing manufacturing time and production consumption. A higher level of quality production across the board is consequently not only a prerequisite for the higher refinement of the raw materials and materials used; it must also be looked at with more of a view to reducing production consumption and to the opportunities to reduce it by raising the level of quality to a significant degree.

4. The production of more and better consumer goods -- thus providing a larger supply of high-grade industrial consumer goods in accordance with the demand structure -- is also chiefly a question of quality. Thus with consumer goods, just as

with means of production, it is a matter of challenging goals such as new constructive and functional solutions as well as improvement of reliability and ease of operation combined with greater economy when in use. Not least of all, quality ought to be demonstrated in esthetic form.

Improvement of the level of product quality, as an essential aspect of the greater economic effectiveness of science and technology, and the role of quality in the higher refinement of raw materials and materials and in increased consumer goods production are marks of the far-reaching effects that product quality has on improving effectiveness. They make clear that all 10 elements of our economic strategy are basically related to quality and have to be viewed in terms of their contribution to product quality. This is mainly because socialist rationalization — increased social labor productivity — has to be reflected in higher-quality products that are manufactured with greater effectiveness and economic profitability. Products that are manufactured with greater efficiency, that meet with favorable conditions on the world market, that are distinguished by greater reliability and longer product life, ultimately determine the expansion of production opportunities, improvement of the cost-benefit ratio and a type of operation that saves resources.

The result of all this is that sweeping changes in quality production are acquiring increasing importance in the development of combine performance. Consequently, advances in product quality, especially with regard to the economic benefits derived from improved quality, constitute an important standard by which to measure intensification of the combines' reproduction process and awareness of their responsibility toward the national economy. The task of carrying on the struggle for high-quality products in line with national economic improvements has to influence much more strongly than before the future organization of the combines' reproduction process. This results in far-reaching consequences for political-ideological work, for management and planning in the combines and enterprises, above all with reference to fitting product quality into combine strategy in terms of performance development, to the place of product quality in innovation processes, to its scope and pace as well as to demands on science and technology for increased effectiveness. These further considerations apply mainly to the economic questions that are linked to product quality, especially the matter of fitting quality into combine performance, costs and profitability, its importance in increasing net production and reducing basic materials costs per M 100 in goods production, and on to matters of stimulating managers and labor collectives to quality work and to the greater importance of product quality in the socialist competition.

Main Directions in Improving Product Quality in the Combines

Proving to be decisive to the standards being applied in the combines to the change in quality level and to the attitude toward quality is the seriousness with which efforts are being directed toward the principle that quality work from the GDR has to become an internationally recognized trademark of the ability of the combines to produce. One of the most essential starting points for this now and in the years ahead is that of increasing the share of production bearing the "Q" quality label in goods production subject to obligatory testing, and this must be done in the face of new and far more challenging tasks than before. For instance, combines in the electrical engineering/electronics field are faced with the task of earning the "Q"

label for more than 65 percent of their goods production subject to compulsory testing by 1985.

Recent years have seen rising growth rates in "Q"-quality production each year on the scale of the economy as a whole. In the period between 1976 and 1980, the percentage of production with the highest quality rating for industrial goods production subject to compulsory testing rose from 15 percent to 24 percent, though in part at the expense of the percentage of production bearing the quality label designated "1", while the percentage of certified production in the volume of production remained almost constant. This underscores the necessity of undertaking even significantly greater efforts to improve the quality of assortments across the board while more quickly replacing with new products those that no longer fully meet increased requirements. The main thing is to increase the share of quality products embodying the top international level of quality in the growth of industrial goods production.

An important prerequisite is greater stability in increasing the production volume bearing the "Q" quality label. There is still much room for improvement in this area: For one thing, the portion of "Q"-quality production varies within combines; sometimes the variations are substantial. For another, considerable differences still exist among the combines in the percentage of "Q"-quality products in goods production. For example, more than 85 percent of the goods produced by the "7 October" Machine Tool Combine bear the "Q" label, and the workers at the Werner Lambers Polygraph Combine have set themselves the goal of earning the "Q" label for more than 90 percent of their products in 1981. This percentage is considerably lower in some combines. "But," said Guenter Mittag, "glaring differences in quality levels are not justified. They could not be justified before, and by the standards of the 10th Party Congress they absolutely cannot be anymore."⁶ For example, if in export-intensive combines the share of "Q"-quality industrial products subject to compulsory testing amounted to only 20 to 30 percent, this would mean that the saleability on world markets of a substantial portion of their export products would be diminished.

A challenging task in improving the effectiveness of the combines' reproduction process therefore consists in arriving at a steady increase in the percentage of production bearing the "Q" label, and in such a way that the production of "Q" products increases significantly faster than industrial goods production, so that within a foreseeable period there is a predominant share of "Q"-quality industrial production subject to compulsory testing.

Faster top-quality production growth as a part of production growth as a whole -- combined with such growth ratios as a faster increase in labor productivity compared with industrial goods production and with capitalization per job -- belongs among the determining growth proportions of intensively expanded reproduction.

The volume of production bearing the "Q" quality label is increased on the one hand through products that already bear this label, and on the other by the transfer to production of new and more advanced "Q"-quality products. Both aspects have to be evaluated differently from the standpoint of the economic benefits that can be obtained. If the "Q"-quality production volume is increased almost exclusively through the expanded production of products that already carry this label --

a number of practical examples of this exist -- as opposed to the introduction of new top-quality produces, from the very beginning this sharply limits opportunities to increase economic benefits, especially foreign exchange profitability. Nevertheless, many combines consider this method of increasing the volume of "Q"-quality production advantageous, mainly because the plan quota can be met with relatively small outlays for research and development, and also because higher profits can be realized by marking up prices on the "Q" label and by shifting assortments in favor of this production. Since, however, quality production is concerned with top-level performance in a wider assortment of products, an assessment of "Q"-quality production growth has to give greater consideration to such criteria as the degree of renewal in production and the number of new "Q"-quality products put into production, or the growth in industrial goods production that can be traced to these factors. Combine planning must give greater weight to these index figures, for the magnitude of results that can be achieved on a national economic scale in the areas of energy and the economical use of materials is largely determined by the rapid renewal of the product assortment.⁷ At the same time, it will also be easier to meet increasing product-quality requirements.

Consequently, the more rapid growth of "Q"-quality production compared to industrial goods production is by no means only a quantitative task; rather, it concerns products which, measured by the international standard, guarantee a greater measure of effectiveness. Increasing the share of "Q"-quality products must therefore be viewed above all from the standpoint of development of outlays and costs, of benefits that can actually be realized from product quality, such as increased proceeds from exports and higher profits and improved profitability. This requires fundamental changes in the kind of approach used in increasing the proportion of "Q"-quality products. However, it is not infrequent that narrow departmental thinking is still encountered in combines and enterprises with regard to ensuring and improving product quality. Efforts to achieve better quality are too limited, directed only toward improving the technical parameters of products and toward current production and the technical control sector. Product-quality development can become a true effectiveness factor in improving combine and enterprise performance only if the increased production of top-quality products is approached simultaneously from the standpoint of economic benefits.

Concerning Some Requirements and Experiences in Combine Management Work on Improving Product Quality

With reference to the approach to improving product quality -- in which there exists a balance between quantitative objectives and increased effectiveness -- the following findings drawn from previous combine experiences are of particular importance to management work:

1. Sweeping changes in quality production require that the complex innovation process in the combines be directed toward greater economic benefits from product-quality development, starting with research and development and technological preparations for production and extending through the actual manufacturing process all the way to the marketing phase. Objectively it is a matter of consistently viewing product-quality development from the standpoint of the benefits to be derived. The essential requirement here is for quality production in the combine to be planned and managed throughout as a uniform process of research and development,

production preparation, manufacturing process and marketing operation closely intertwined with the other qualitative growth factors.

Work with long-range overall product-development plans or programs has proven essential in carrying out this challenging task. For example, the Robotron Combine derived long-range product programs for all its main product lines from comparisons with world standards. They are based on future requirements of products up to 1985 and beyond, and they contain the necessary growth in utility value, the parameters for quality and reliability, and reductions in manufacturing time, costs and the use of materials and energy. This is to ensure that the products will meet the international standard, or help determine the standard, by the time they go on the market. Consequently, product and/or assortment plans constitute an important basis for preparing sound management decisions concerning quality development and concerning a faster renewal of the product assortment combined with conversion to a new generation of products, with these factors producing a wider array of top performances. Characteristic here are objectives aimed at decisively improving the utility values of new and improved products while simultaneously reducing the specific expenditure of human and objectified labor needed to manufacture them. A successful technique has been used in combines like the Herbert Warnke Converter Technology Combine and the Fritz Heckert Machine Tool Combine. Here the general directors establish guidelines for the scientific-technical and economic goals to be achieved in product development even before the specifications manuals are prepared. For instance, these guidelines might call for increasing utility value by 30 to 50 percent, reducing specific materials consumption by 30 percent and reducing manufacturing time by 20 to 30 percent. As practical surveys show, the preparation of such challenging product-development objectives as these is still undervalued at times. Herein lie the reasons for a proportion of top-flight scientific-technical performances that is too small. It is therefore very important to proceed strictly on the basis of the performance goals contained in the five-year plan in all areas where scientific-technical tasks have been prescribed, and, as Erich Honecker said at the Third SED Central Committee Plenum, "to examine every task for content, to revise it if necessary, to schedule earlier deadlines for its accomplishment and to this end to concentrate further on its research and development potential."⁸

It is becoming increasingly apparent that the quality of research and development results depends upon the quality of the objective — that is, upon the development goals for science and technology that are set forth in the long-range product-development plans or programs. These are based on national economic performance requirements and on the product-quality demands of users and customers that result in accordance with combine marketing and sales strategy.

2. The experiences of progressive combines make clear that essential matters related to improving product quality, and to the resulting economic results, largely depend upon work with specifications manuals. The main thing is that challenging and sound objectives contained in the specifications manuals absolutely have to be based on the complex effect of product quality as a factor in the development of the entire combine's performance; and international performance comparisons are indispensable in establishing criteria for product development. The important factor here is high-quality research objectives as measured by international standards, not only with reference to technical parameters and utility features of the new product but also to manufacturing costs, the economy of manufacture, the organizing

of production and especially profitability. Sometimes too much weight is still being given to technical parameters and/or utility features in the preparation of specifications manuals; questions dealing with the economy of the new product are treated as secondary, or deviations from economy objectives are permitted at the individual stages of realization. Further efforts to improve the work with specifications manuals will therefore have to concentrate on drafting and putting into the manuals those economic predeterminations — including costs and price determinations — that ensure that the effectiveness standards and performance goals set for the combine will be met or exceeded. At the same time, a greater role has to be played by economic predeterminations in assessing specifications manuals, in demonstrating the accomplishment of research and development tasks in the socialist competition and in ascertaining personal material interest. The aim of the measures that have been resolved to improve work with the specifications manuals is "to make the specifications manual an integral part of the planning and financing of scientific-technical studies and of the evaluation of the results obtained."⁹

3. It is evident that the readiness of new or improved products for the manufacturing process and the level of production preparation are very important to a steady increase in "Q"-quality products subject to compulsory testing and to greater economic benefits from quality production. Our studies in various combines have shown that levels of production quality that have been attained are not adequate when new products are to be manufactured with greater effectiveness. Thus, the use of microelectronics in generally miniaturized mechanical components results not only in greater mechanical demands on their parts but also in higher requirements for their precision manufacture in mass production. The most important thing, therefore, is to achieve a better unity of development involving product, procedure and technology, to link these elements together from the earliest possible moment and to use a higher level of production preparation for new and improved products to establish the conditions necessary to a smooth transfer to production.

The short-range transfer of new products to stable series production with the lowest expenditure of money and time requires that new standards be imposed in the technological preparation of production, whereby a guaranteed manufacturing process is taking on added importance for the quality level of the products. Progressive combines and enterprises are establishing closer ties between technological research work and that concerned with improving the utility value of the products; this is based on the assumption that the technological potential must be put to greater use than before in improving product utility value. It is chiefly through technologies that ensure quality and through strict observance of conditions conducive to exemplary manufacturing that high quality is guaranteed for a new product from the time it goes into production. This concept of a high degree of readiness for production and a pronounced awareness of costs has a favorable effect not only on quality development in one's own combine but also on one's cooperation partners.

4. The influence of end producers on critical subcontractors, especially those that do not belong to the particular combine, is especially important to the assurance and improvement of product quality. This is because the quality of subcontractor products very often proves to be the weakest link in the quality production chain. It is above all a matter of the necessary proportionality between subcontractor products and end product in terms of the assurance of better correspondence between quality parameters and of the prompt adjustment by subcontractors to

changes in quality requirements of end producers. Proving favorable to the establishment and streamlining of stable lines of cooperation and collaboration between producers and subcontractors is the use of coordination contracts and the drafting of joint programs which set forth quality development requirements for subcontractor products as well as responsibilities and cooperation, beginning with the formulation of goals for science and technology and ending with the delivery of quality products.

5. If higher standards are to be applied for increased quality, assurance of the quality of current production must mesh smoothly with all of these preparatory measures; enterprise quality control systems must be improved. The focus is increasingly being placed on the effectiveness of quality control in this regard. For example, the Robotron Combine developed a long-range plan up to 1985. In addition to specific tasks for the individual years — which provide among other things for product-related examination of the goals of "Q"-quality production and for long-range preparation of repeat classifications — the plan contains the technological and organizational measures designed to reduce the expenditure of social labor resources in the control and testing process, to provide high-quality testing equipment combined with the gradual automation of control and testing processes, and specific stipulations on quality control in production preparations, marketing and customer service. Practical experience shows that general plans such as this make it easier to achieve high product quality.

Performance Evaluation and Economic Stimulation of Product Quality

If overall economic responsibility for quality in production is to be fully perceived in the combines, the connection between rising product quality and the effectiveness of its result in the reproduction process of the combines will have to be established with much greater consistency than heretofore. The strategic importance of product quality to the national economy's increased performance demands that attention be paid to the aspects of improving quality in such a way that management, planning and economic stimulation will react responsively to problems concerning the quality of the work as well as of the products, and that the economic interest of the combines as a whole in improving quality will be supported effectively.

Essential to such an approach is a determination of the actual importance ascribed to product quality in management decisions concerning the development of performance in the combines; it is also essential to determine how product quality development is affecting the plan in terms of reducing costs and improving profits and profitability. It is simultaneously a matter of sharpening one's eye for the economic benefits of quality development when assessing the overall result of the combines' economic activity. The use of index figures for goods production, net production and basic material costs per M 100 in goods production as basic criteria for the evaluation of performance initiated an important move toward a better reflection of combine and enterprise efforts to achieve effectiveness. An even more effective performance evaluation based on the three aforementioned index figures, in line with the directive of the 10th SED Party Congress on the 1981-1985 Five-Year Plan, is necessary also with reference to the complex assessment of the advances made in quality production and the resulting economic benefits. An important question here is what the increase in the volume as well as the economic benefits of quality

production can produce on a more lasting basis with the help of the performance evaluation.

An essential point here is the combines' great responsibility for planning assortments and for fulfilling the plan in terms of these assortments; this responsibility essentially expresses the way in which the combines and enterprises live up to the performance demands of their customers. It is a matter of looking at production growth and fulfillment of assortment-related production goals more from the standpoint of specific products. In other words, a complex assessment of the combines' contribution to the performance of the national economy ought to give greater consideration to whether the increase in production volume is linked to a qualitative improvement of the product assortment by way of a larger percentage of top-quality products, and whether it matches the requirement for production that meets demand.

From the standpoint of greater economic benefits from quality production, it is chiefly those index figures that reflect profitability of the reproduction process as it relates to costs and capital, including foreign exchange profitability, that are gaining in importance in performance evaluations and performance comparisons. They are to be used more as criteria for the economic evaluation of the level of quality in production. At the same time, the influence of product quality ought to be pursued more intensively in connection with the three basic index figures of performance evaluation that express the basic requirements of intensive combine management. This applies especially to the influence of product quality on net production: A significant rise in the quality level of products based on scientific-technical progress and a higher quality of human labor, as well as a more rapid rise in the production of these products in relation to goods production, is a prime factor favoring a greater economic contribution by the combines to net production. The combines' performance analysis must therefore not only establish a stronger relationship to quality than before, it must also accord greater importance to the analysis of quality in terms of its effects on net production.

The quality development of products is influenced greatly by the economic interest of combines and enterprises in general, as well as of labor collectives and each individual worker, in a more favorable relationship between product quality and cost reduction. The improvement in economic benefits derived from raising product quality is consequently also essentially a matter of effective economic stimulation in economic accounting and of consistent application of the performance principle. Economic stimulation of combines and enterprises as a whole involves mainly the setting of prices for new and improved products, the way in which increased quality is acknowledged by way of price markups and the influence of quality results on the acquisition and use of capital within the framework of economic accounting.

As shown by practical experience, the setting of industrial prices for new and improved products according to the cost-benefit ratio increases combine and enterprise interest in improving the utility features of their products, which leads to a tangible increase in profits for the manufacturer. This has contributed in recent years to an increase in the average improvement of the utility features of new and improved products and to the establishment of more challenging goals for product development aimed at increasing utility value. Progress has also been made in reducing prime costs per unit of the utility features of new and improved products, especially in the case of new products compared to the comparable product.

It is our opinion, however, that this reduction has not been on the same scale as that attained in raising the scientific-technical level of the products. And for a number of products the following contradiction currently exists: Application of the cost-benefit ratio is having an unfavorable influence on export profitability. This is because improvements in utility features that affect price cannot be fully realized in exports, and only some of them are acknowledged internationally. Steps taken thus far to further improve pricing according to the cost-benefit ratio have therefore been aimed at giving substantially greater consideration to parameters that determine performance and foreign exchange proceeds and to costs and the world standard when it comes to the evaluation of utility features of new and improved products.¹⁰

If higher product quality in accordance with new national economic standards is to be used to reduce production consumption, to increase export profitability and foreign exchange proceeds and to reproduce capital more effectively, a greater effort must be made to increase the pressure of cost-reducing factors in setting prices for new and improved products. In applying the cost-benefit ratio for new products, some starting points toward more challenging normative objectives for reducing the index of real costs are closely connected with prices for raw materials, materials and energy sources that reflect actual national economic outlays. At the same time, it is a matter of substantially increasing the weight given to such parameters in evaluating the utility features of new products that characterize the reduction of production consumption and the greatest economic benefit to the user, so that industrial prices will provide stronger support for reduced production consumption in line with the resolutions of the 10th SED Party Congress.

The different requirements of pricing with regard to foreign exchange profitability demand that the evaluation of new products also be based above all on such utility features as those that are decisive on international markets for the levels of world market prices and valuta proceeds. This means that the basic orientation must be for the increase in utility value to be acknowledged by way of corresponding valuta proceeds on the world market, and for the developmental level of new and improved products to influence industrial prices at the international level. Those products which thus determine the advanced international level must be used for comparisons; this can increase the pressure to achieve top-flight performances.

At the same time, giving even greater consideration in the price to user benefit is an important point of departure for improving pricing in line with the cost-benefit ratio. Here as well, evidence in the form of those products that embody the best international values must play a greater role. In selecting user-oriented parameters, it is a question of assigning greater value to parameters that are related to user benefit, and especially of avoiding the still existing tendency to overvalue parameters that are manufacturer-oriented or are reflected only minimally, or not at all in increased benefit to the user. Consequently, the more precise recording of user benefit, or of international conditions for realizing such benefit, is a problem that takes on added significance from the standpoint of pricing because it can be heavily instrumental in tying industrial prices as a whole more closely to effectiveness.

Price markups on "Q"-quality products have no small influence on the volume of combined and enterprise profits for a large percentage of these products that are

subject to compulsory testing and a large percentage of all goods production subject to such testing. As an integral part of profitmaking, they lead to problems with the planned development of profits whenever there are breaks in quality that involve loss of the "Q" quality label, and combines with experience say that it is difficult to compensate for them. Together with repeat classifications, price markups mainly affect efforts to protect the quality level that has been achieved, while the state plan quota has a substantially greater effect on improving the quality of production with reference to the proportion of goods production bearing the "Q" label. Considering the extent of price markups and their continued increase as a result of the increased proportion of "Q"-quality goods production, it is our opinion that the following considerations are useful with respect to the stronger stimulating effect of price markups:

Since conditions of intensively expanded reproduction do not allow for the stimulation of quality in itself -- it always has to be viewed in relation to expenditures -- price markups ought to be made dependent upon the development of expenditures -- linked to the development of costs for rejects, retouching work and guarantee contracts, for example. Since these costs are part of prime costs and are included in the price, they are frequently planned on a liberal scale, using the argument of introducing new products. It is therefore necessary to overcome the inherent contradiction that inadequate quality and poor workmanship still have to be paid for by the customer; it is also necessary to reduce much more rapidly the costs of rejects, retouching work and guarantee contracts. If these costs are looked at as a proportion of prime costs, their reduction is of no small importance to the large cost reductions needed during the period of the 1981-1985 Five-Year Plan.

Quality production requires the stimulation of quality and volume as a single entity as well as the reinforcement of the working man's personal material interest in high-quality performances by tying compensation to quality. The experiences of enterprise collectives that have been performing exemplary quality work for years, and have managed repeatedly to win the title of "Enterprise of Outstanding Quality Work" indicate that compensation that is tied to quality is an essential condition in attaining and guaranteeing a higher quality of production. They show that compensation that depends on quality is possible and meets with the approval of the workers in all areas of the reproduction process of combines and enterprises, starting with research and development and proceeding on through production to distribution, including marketing sectors and those that take care of production preparations. It will therefore be a matter of further increasing the weight given to quality indices in determining wages. The following steps in this direction are to be regarded as important:

The preparation of performance indices that stimulate adherence to technological discipline;

The linking of considerably larger portions of the extra wage dividend to quality indices in production sectors that are focuses of quality. It has proven successful in this regard to issue fewer index figures, with consideration for the fact that the basic wage already provides incentive for output, thus sometimes enabling the full amount of the extra wage dividend to be tied to individual and collective quality indices that fit in with one another;

Stimulation of individual quality performances according to the causality principle. An unbalanced collective stimulation does not fully exhaust every opportunity. It has been shown that the unity of individual and collective stimulation in particular provides effective encouragement to confront deficiencies in quality and encourages an awareness of responsibility for quality. But laying the groundwork for this is not only a matter of coming up with suitable performance index figures; above all it is also a question of political-ideological work and the responsibility of state managers of labor collectives.

Improvement of Product Quality and Demands on the Organization of the Socialist Competition

The process of improving and assuring the quality of products depends in large measure upon a willingness to take risks and open-mindedness in the search for new methods, upon the creativity of researchers and innovator collectives, upon the willingness of each individual worker to produce. Important opportunities exist here, and therefore an important concern is that of achieving collectivity and personal responsibility for product quality in every labor collective and on every job. If this is to be accomplished, directly applicable management and work experiences must be single-mindedly analyzed and generalized to a greater extent.

As has been shown, high-quality performances in the socialist competition are being achieved mainly on the following basis:

Achievement of a high enough level of production organization that the conditions for exemplary manufacturing are actually created for every operation -- which means setting the requirements for product quality in the manufacturing process from the outset, not waiting until production is under way. So that quality production will be based on a high quality of workmanship in every operation, it is important for quality requirements for every operation to be precisely laid out and also monitored;

In-depth analysis of individual operations and derivation of the necessary quality requirements jointly with the working people as a basis for the movement for quality work, or the organization of self-monitoring and/or self-testing by the workers;

A more exact breakdown of product quality index figures -- down to the individual job if possible -- thus providing precise knowledge of how many items to process every day and the quality that has to be attained. A daily accounting of the quality items manufactured in the collective, combined with disclosure of the causes of deficiencies in quality all the way down to the individual operation, is an important prerequisite for an increased perception of the responsibility of the individual and the labor collective for quality production with the lowest possible manufacturing outlay.

In accordance with the considerably increased importance of product quality to the development of combined performance, quality index figures are becoming a decisive criterion for the collectives' socialist competition. Many different competition initiatives aimed at quality have been developed in the process. But the problem lies in the fact that, besides a sometimes still formal handling of quality index figures, there is also much room for improvement when it comes to their effect in

stimulating quality. Deriving from the experiences of progressive combines are greater demands on the organization of the socialist competition. The main ones are these:

Implementation of a uniform and stricter management of quality processes in the socialist competition so that the various initiatives spread throughout all sectors and labor collectives, and so that their effect will be general rather than merely selective;

Achievement of greater effectiveness of the individual and collective competition for quality by means of more precisely calculable quality norms;

Closer links between quality work on the individual job and the efforts of the labor collective to achieve a stable level of quality. Specific pledges of quality work by the individual workers are proving to be very important in the competition for quality;

Assignment of greater importance to quality in the socialist competition involving sectors responsible for production preparations -- for example, by basing the personal and collective creative plans for design engineers and technologists and/or engineers' booklets on the goal of exceeding the standards for quality development as contained in the specifications manuals;

Reduction of development and transfer times for new products by means of complex competitions that involve all essential partners inside and outside the combine, and a better mastery of the transfer process from the standpoint of quality problems by means of timely preparation of production collectives for their changed work requirements. An important form of complex competition that aims for higher-quality end products is the work with quality-pledge chains: The subcontractor and end producer decide together on precise quality requirements that are then backed up by specific pledges from the collectives. Experiences in the furniture industry show that this helps achieve a more stable level of quality above and beyond all production and manufacturing phases.

A new form of socialist teamwork -- designed to bring even more workers in on questions of product-quality development and to direct innovator work more toward higher product quality -- is our work with quality circles. These circles, which take advantage of extensive experiences with quality work and international findings in the area of quality control, have meanwhile been established in a number of enterprises. Technologists, sector managers, foremen and experienced innovators confer regularly on matters pertaining to the quality of products. In particular, they also assess innovator agreements and proposals from the standpoint of improving the quality of the work and the products. This enables the experiences and suggestions of experienced quality workers to be used more fully in close collaboration with technologists and technicians to achieve greater product reliability and their more effective manufacture. Quality circles and their activity under enterprise innovator activity are uncovering substantial performance reserves aimed at improving product quality; they are promoting the joint sense of responsibility for a higher level of quality in production.

FOOTNOTES

1. Cf "Report of the Central Committee of the Socialist Unity Party of Germany to the 10th SED Party Congress," by E. Honecker, Dietz Publishing House, Berlin, 1981, p 55.
2. Third SED Central Committee Plenum, "From the Report by the Politburo to the SED Central Committee," by E. Honecker, Dietz Publishing House, Berlin, 1981, p 31.
3. "Combines in the Struggle To Carry Out the Economic Strategy of the 10th SED Party Congress. SED Central Committee Seminar with the General Directors of the Centrally Managed Combines and the Central Committee's Party Organizers, 27-30 April 1981, in Leipzig," Dietz Publishing House, Berlin, 1981, p 44.
4. Cf Third SED Central Committee Plenum, "From the Report....," loc. cit.
5. "Product Life and Use of Materials," DIE WIRTSCHAFT, No 1, 1981, p 2.
6. "Combines in the Struggle....," loc. cit.
7. Cf Third SED Central Committee Plenum, "From the Addresses," W. Rauchfuss, "High Degree of Economy in Use of Materials -- a Great Challenge," loc. cit., p 79.
8. Ibid., "From the Report....," p 31.
9. Cf "Decree on the Specifications Manual for Research and Development Tasks -- Specifications Manual Order -- 14 January 1982," GESETZBLATT DER DDR, Part I, No 1, 1982.
10. Cf "Order No 2 on the Central State Calculation Guideline on Setting Industrial Prices, 23 August 1978," GESETZBLATT DER DDR, Part I, No 30, 1978.

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EX30: 2300/197

GERMAN DEMOCRATIC REPUBLIC

STATISTICS ON 1981 SHIP CONSTRUCTION PUBLISHED

East Berlin SEEWIRTSCHAFT in German Vol 14, No 2, Feb 82 pp 59-68

[Unattributed article: "GDR Shipbuilding in 1981"]

[Excerpts] The GDR's shipbuilding industry last year likewise achieved a considerable output increase. Industrial commodity production was raised to 107.3 percent compared to last year and the export share was increased to 99.9 percent. Overall, 59 seagoing vessels with a registered tonnage of 375,190 GRT were built (1980: 61 vessels with a total of 368,822 GRT) (tables 1 and 2). For the first time, ships newly built by GDR shipyards started their maiden voyages under the flags of the Socialist Libyan Arab People's Jamahiriya and Austria so that the number of customer countries rose to 36. The USSR, which was the main customer and placed 42 vessels newly built by GDR shipyards in service, in 1981 likewise assured a steady and calculable contract order situation. Among the 42 newly-built vessels, the maritime fleet took eight ships and a dredge, the fishing fleet took 28 ships, and the inland fleet took 5 ships. Ship operators from six countries (Yugoslavia, the FRG, Liberia, Panama, Libya, and Cyprus) took over another 16 newly-built vessels, predominantly universally usable piece-goods freighters with optimum container stowage possibilities (tables 3 and 4).

Table 1. 1981 New Ship Construction, by Shipyard

1	Anzahl der Schiffe 2	Vermessung in GRT 3	Trag- fähigkeit in t 4
VEB Warnowwerft Warnemünde	12	146936	213701
VEB Schiffswerft „Neptun“ Rostock	10	69637	93704
VEB Mathias-Thesen-Werft Wismar	6	70023	90978
VEB Volkswerft Stralsund	25	72034	47000
VEB Elbwerften Rostock-Raden	5	10320	1465
VEB Vachowert Berlin	1	240	
Insgesamt 5	59	375190	455897

Key: 1--Shipyard; 2--Number of ships; 3--GRT registry tonnage; 4--Cargo capacity in tons; 5--Total.

Table 2. 1981 New Ship Construction, by Ship Type

Schiffstyp	Anzahl der Schiffe	Vermessung in GRT	Trag- fähigkeit in t
1	2	3	4
5 Trockenfrachtschiffe	26	262 849	377 890
6 Stückgutschiffe	13	106 721	149 988
7 Vollkontainerschiffe	2	31 560	43 830
8 Massengutschiffe	9	122 018	181 171
9 Kühl-Container-Küstenschiffe	2	16 29	2 400
10 Fischereischiffe	28	95 691	75 452
11 Fang- und Verarbeitungschiffe	25	72 034	87 000
12 Kühlschiffe	1	23 657	29 700
13 Sonstiges	5	16 659	2 245
14 Binnentouristenschiffe	3	14 700	1 000
15 Eimerkettenschwammräumer	1	17 10	500
16 Feuerlochsboot	1	210	
	59	375 190	455 897

Key: 1--Ship type; 2--Number of ships; 3--GRT registry tonnage; 4--Cargo capacity in tons; 5--Drygoods freighters; 6--Piece-goods vessels; 7--Full-container vessels; 8--Bulk goods vessels; 9--Refrigerator-container-coastal vessels; 10--Fishing vessels; 11--Catching and processing vessels; 12--Refrigerator vessels; 13--Miscellaneous; 14--Inland passenger vessels; 15--Floating bucket-chain dredges; 16--Fire boats.

Table 3. Percentage Share of Main Product Line out of Total New Construction on GRT Base

Produktlinie	Anzahl der Schiffe	Vermessung in GRT	Prozentanteil in GRT
1	2	3	4
5 Trockenfrachtschiffe	26	262 849	70%
6 Fischereischiffe	28	95 691	25%
7 Sonstiges	5	16 659	4%
	59	375 190	100%

Key: 1--Product line; 2--Number of ships; 3--GRT registry tonnage; 4--GRT percentage share; 5--Drygoods freighters; 6--Fishing vessels; 7--Miscellaneous.

Table 4. Export Share of 1981 New Construction, on GRT Basis

Schiffe	Vermessung in GRT
1	2
3 Exportleistung insgesamt	58 374 950
4 USSR	42 221 803
5 Dritte Länder	16 153 087
6 Neubauproduktion für nationale Reedereien	1 240
7 Neubauproduktion	58 375 190

Key: 1--Ships; 2--GRT registry tonnage; 3--Export output, total; 4--USSR; 5--Miscellaneous countries; 6--New construction for national shipping companies; 7--New construction.

In starting series production of six ship parts, the Shipbuilding Combine VEB [State Enterprise] in 1981 renewed its construction program which presently covers 17 ship types. These prototypes, which will determine the profile for the next several years, include the following:

Type "UL-ESC II" specialized bulk goods freighters with efficient cargo-handling equipment, consisting of three luffing and slewing cranes for 2 X 12.5 t, cargo capacity 19,250 t, 442 container stowage places for use in Arctic regions; shipyard: VEB Warnowwerft Warnemuende;

Type "Neptun-301" multipurpose freighters, cargo capacity 9,000 t, about 270 container stowage places; shipyard: VEB Schiffswerft "Neptun" Rostock;

Type "KBK" refrigerator-container-coastal inland waterways motor vessels, cargo capacity 1,380 t, plus 20 container stowage places; shipyard: VEB Elbewerften Boizenburg/Rosslau;

Freeze-trawler-seiner with variable catching equipment for dragnet and breast-line fishing, especially designed for catching operations in economic zone; shipyard: VEB Volkswerft Stralsund;

Floating bucket-chain dredge with dredging capacity of 750 m³/hr, with 12 m dredging depth; shipyard: VEB Schiffswerft "Neptun" Rostock;

17-kn fire boats with 1 foam generator and cherrypicker as much as 20-m above water for use in ports, in the roads, and in coastal waters; shipyard: VEB Yachtwerft Berlin.

These ship types are characterized by the following features:

Major improvement in utility value parameters in terms of ship type;

Favorable volume/output ratio and

Increased scope of utilization of microelectronics in shipboard operations.

Work results in the field of ship repairs essentially contributed to the positive result of plan accomplishment. The work teams managed to lower the repair time by an average of approximately 10 percent. The diesel engine repair problem conference held on 29 September 1981 considerably helped in bringing about a new quality in the cooperation of all those participating in the repair of diesel engines with the goal of generally reducing the engines and system repair time. The document adopted during this conference:

Guarantee new output quality due to the shared exercise of responsibility for the overall process;

Guarantee greater material savings due to clear definition of tasks;

Orient the workers more toward the utilization of modern discoveries of science and technology; and

Make available such reserves in order to be able to reduce repair time by 30 percent by 1985.

The share of commodity production which was awarded the "Q" quality standard out of the commodity output volume subjected to mandatory examination was increased to 77 percent. The GDR's highest quality award was given to the improved Type "UL-ESC II" bulk goods freighters (on 5 March 1981) and the 4 DSWK 12.5 double shipboard luffing and slewing cranes made by VEB Klement Gottwald Werk (on 8 July 1981).

VEB Kuehlautomat Berlin--which was the first combine enterprise in the GDR ship-building industry to win the title of "enterprise doing excellent quality work" in November 1976--was awarded the ASMW [Standardization, Measurement, and Commodity Testing Office] diploma of honor in November 1981.

The requirements to plan and account for commodity production as a unit of quantity and quality was met by means of long-term and progressive planning for product quality.

It was thus possible to increase industrial commodity production to 134.8 percent, industrial commodity production, subject to mandatory inspection and awarded the "Q" quality standard, to 149 percent, and exports by more than 100 percent.

The improvement of refrigeration systems was accomplished through close scientific-technical cooperation with the Soviet Union and among things led to the use of FGP [expansion unknown] freight freezer units based on the deep-freeze system on the new large-scale series put out by Volkswerft [People's Shipyard] Stralsund under the name of "freezer-trawler-seiner."

VEB Warnowwerft Warnemuende

Among the 12 new ships, eight alone were destined for use on the Northern Route and were taken over by the Murmansk Shipping Company which now has 19 such vessels. Arctic shipping, which implies stiff requirements for man and machine, is characterized by pack ice, extreme cold, storms, and poor visibility. Actual operational photos transmit only a rough idea of conditions on the run between Murmansk and Dudinka on the lower Yenisey which is so important to the national economy. During the shipping season, which generally lasts from March to December, the ships make between 10 and 12 runs with a sailing cycle of 6 days, 2 laydays in port, and 6 days for the return trip.

In comparison to the first of its kind completed in May 1981 as the "Ivan Susanin," the "UL-ESC II" (with "Mikhail Strelakovsky" being the first vessel in this series) being equipped with three double shipboard crane (2 X 12.5 t capacity) to be independent of port facilities. This makes it possible to operate the as yet not sufficiently equipped berthing places on the Northern Sea Route and to transload the cargo directly on the ice when the navigation channels leading to the ports can no longer be kept open during the winter months by the river ice-breakers and when the big seagoing icebreakers cannot be used because of their draft. The "UL-ESC II" type is in addition designed for carrying hard coal. It was provided with reinforced web frames, main frames, as well as a reinforced

bow and it is insulated in accordance with IMCO-Resolution A 327 (IX). The main concern of the Murmansk Shipping Company is to be able to carry on shipping operations with this ship type in Arctic maritime regions if possible the year round.

This series, which since 1972 has been determining the production profile and which includes a total of 29 units, was completed with the four Type "Meridian II" piece-goods freighters intended for Yugoslav shipping companies. Originally designed for runs between the continent and West Africa and planned to carry a deck load of up to 1,200 t, the shipyard managed successfully to improve this ship type also for other uses (Table 5).

Table 5. List of Type "Meridian I" and "Meridian II" Multipurpose Freighters Built by VEB Warnowwerft Warnemuende

1	2	3	4
Name	Serial	Country	Delivery date
Meridian I			
1	401	FRG	14.06.1972
2	402	FRG	30.01.1973
3	403	FRG	28.02.1973
4	404	FRG	1.03.1973
Meridian II			
5	405	SFRJ	25.09.1973
6	406	SFRJ	25.10.1973
7	407	SFRJ	25.11.1973
8	408	SFRJ	15.12.1973
9	409	SFRJ	15.01.1974
10	410	SFRJ	15.02.1974
11	411	SFRJ	15.03.1974
12	412	SFRJ	15.04.1974
13	413	SFRJ	15.05.1974
14	414	SFRJ	15.06.1974
15	415	SFRJ	15.07.1974
16	416	SFRJ	15.08.1974
17	417	SFRJ	15.09.1974
18	418	SFRJ	15.10.1974
19	419	SFRJ	15.11.1974
20	420	SFRJ	15.12.1974
21	421	SFRJ	15.01.1975
22	422	SFRJ	15.02.1975
23	423	SFRJ	15.03.1975
24	424	SFRJ	15.04.1975
25	425	SFRJ	15.05.1975
26	426	SFRJ	15.06.1975
27	427	SFRJ	15.07.1975
28	428	SFRJ	15.08.1975
29	429	SFRJ	15.09.1975

Key: 1--Sequential numbers; 2--Construction serial number; 3--Country; 4--Delivery date; 5--France; 6--India; 7--France/GDR; SFRJ--Socialist Federated Republic of Yugoslavia; DDR--GDR; 23--Berlin--Capital of the GDR.

On the last day of last year, the Warnemuende shipbuilding workers launched MV "Kapitan Gavrilyov" as the first full-container vessel of the improved "Mercur II"

type. It is intended for the Baltic Shipping Company in Leningrad; it has 941 container storage places and shows how progressive ship types with reduced development and production times can be turned out through concentrated employment of science and technology.

VEB Schiffswerft "Neptun" Rostock

With its floating seagoing bucket-chain dredge and the freighters intended for Libya, the "Neptun" Shipyard was the only shipyard to deliver two new vessel types. Here it must be kept in mind that the ten new vessels had to be built for seven shipping companies from five countries according to partly widely differing classifications investigations and in keeping with particular national laws and acceptance terms. Although the GDR shipbuilding industry has comprehensive experience in building dredges and so far has delivered a total of 33 seagoing bucket-chain dredges, the start of the type "101" floating bucket-chain dredge series program confronted the shipyard's work force and its production cooperation partners with a big test. In particular it was important, compared to the types built so far, to achieve a mastery and practically to implement the increased utilization time of the dredge system, partly automated dredge operation, and the greater seaworthiness of these new vessels in scientific-technological terms. Like most of the predecessors, the "Skadovsk" was built for the USSR and has its home port in Odessa.

The 1400th vessel since the founding of the shipyard in 1850 was completed on 21 March in the form of MV "Sainte Alexandrine" (a vessel of the "Neptune-421" type with a cargo capacity of 12,720 t). The ship, commissioned under the Panamanian flag, today flies the flag of the Philippines and is homeported in Manila; it is employed worldwide. Concerning the "Neptun-421" series type, the shipyard last year furthermore delivered "Merkur Bay," "Merkur River," and, by year's end, as construction project No 439 and thus as the 39th vessel in this repeatedly modified series, the MV "Neptun." The Lanaria Shipping Cooperation [as published], which has its headquarters in Monrovia, picked that name in order--as the shipping company noted--"to thank all shipyard employees for their good cooperation. We certainly hope that 'Neptun' will speak well for the high-quality work done by all employees at the 'Neptun' shipyard."

The last and 24th unit of the "Poseidon-471" series, built since 1973 for shipping companies from Norway, France, Liberia, Greece, the GDR, and Singapore was MV "Alexander Schulte" which was turned over to the owner from Cyprus on 30 October. These medium-sized, universally usable piece-goods freighters, which can carry about 8,000 t and which are provided with about 220 container storage places, have two extremely large cargo holds (33.5 m and 22.7 m long) as well as efficient cargo booms (2 X 30 t or 2 X 15 t) which can be run with crane operation.

The commissioning of the new section assembly shop as the nucleus of the rationalization project and a new outfitting shop in which all mechanical work is concentrated made it possible further to improve the working and living conditions, to raise the technological level, and to create essential prerequisites for a further output increase.

VEB Mathias-Thesen-Werft Wismar

In 1981, the Wismar Shipyard workers increased the industrial commodity output to 113.1 percent, compared to the prior year, they delivered six new vessels and guaranteed continual plan fulfillment.

The 31st unit of the "Polar"/"Kristall" series was completed on 23 December in the form of the refrigerator and transport vessel "Kapitan Kulinich" (construction serial No 218) and was taken over by the Riga base of the Soviet Maritime Fishing Industry. These refrigerator vessels are used worldwide and achieve an annual transport result of about 65,000 t; the transfer of fish, in the course of which as many as four fishing and factory vessels can come alongside on the open sea, which is possible and which has already been accomplished successfully at a wind force of 6, requires utmost skill in seamanship.

MV "Federal Elbe" (Type "OBC") as well as the multi-bulk-container vessels "Paloma" and "Palapur" (863 TEU) were built for shipping companies from the non-socialist economic area. MV "Palapur" started out on its maiden voyage to the Arabian Gulf on 3 December, sailing from Rotterdam via Tilbury, Bremerhaven, and Hamburg. Since the start of the "OBC"/"MBC" series in 1972, 22 units have been delivered since 1972.

The "China Navigation Co. Ltd." in Hongkong, which on 7 June 1979 commissioned MV "Fengtien" (Type "OBC"), certified that the Wismar ship type performed well. A letter from the shipping company states, among other things: "The China Navigation Company Ltd. has had good experiences with the bulk goods freighter 'Fengtien' (accepted from Mathias Thesen Shipyard in 1979). The ship, built for ice category IA, has already sailed on all seas--including a winter journey through the ice to Leningrad--and can meet sailing conditions in all climate zones. The China Navigation Company presently uses it in the Seascope Pool and is certain that this vessel's high standards will contribute to confirming the good reputation of this multinational conference."

In launching the 6,620 t roll-on-roll-off vessel MV "Gleichberg" on 24 October, the shipyard added a ship type to its construction program which will determine the profile of GDR shipbuilding for the next years.

VEB Volkswerft Stralsund

The production of the proven fishing and factory vessels was continued with 21 new vessels of the "Atlantic Supertrawler" series and the size of the series was increased to 168 units. The Soviet fishing base at Kaliningrad accepted seven, the base at Kerch accepted four, Vladivostok, Klaipeda, and Riga accepted two, each, and Sevastopol, Ilyichevsk, and Novorossisk took one vessel, each. Paying tribute to the great personal achievements of the long-term director of the shipbuilding main administration in the Fishing Industry Ministry USSR, A. F. Yudinsev, concerning the development and construction of fishing vessels and the development of the fishing fleet and fishing industry of the USSR, supertrawler No 539 was christened the "Inzhener Yudinsev." Large series of ocean-going fishing vessels, floating factory vessels, search, training, and research vessels, whalers, as well as many other technical maritime vessels were developed and built under the direction of A. F. Yudinsev; they contributed to the basic change in the

development of the USSR fishing industry and also contributed decisively to the development of the shipbuilding and fishing industries of the CEMA countries. A. F. Yudinsev made a great personal contribution to the development of the Soviet fishing fleet into a leading fishing fleet of the world.

The Stralsund shipbuilders completed the 1,313 th new vessel in the form of the "Inzhener Yudinsev"; of that number, 1,176 fishing vessels were delivered to the USSR ocean-going fleet.

New Ship Type for New Operational Conditions

In building the "Atlantic (R) 333" GTS (freezer-trawler-seiner), the shipyard, in cooperation with the ship machinery and system construction enterprises and on the basis of Soviet experiences and operational concepts, achieved a top-level engineering-technical result in a short time--a result which can stand international comparison. The ship has a utility value which is 35 percent higher than comparable predecessor vessels. This new ship type:

Is intended primarily for bottom and island dragnet fishing and can quickly be converted to breast line shipping;

Can be employed autonomously up to 30 days and within a fleet formation and is equipped with systems for the transfer of cargo and the acceptance of supplies and equipment at sea;

Has technological equipment for the production of slaughtered fish, filet, fish meal, fish and liver oil, as well as a refrigeration plant with an average refrigeration temperature of -60° C for deep freezing;

For the first time in GDR shipbuilding contains a considerable volume of micro-electronic components which guarantee optimum operation especially for machinery operation and power supply.

During last year's fourth quarter, four GTS (for a detailed ship description, see SEEWIRTSCHAFT, No 3, 1982) were delivered as type testing vessels to the Soviet fishing bases at Kaliningrad, Murmansk, Klaipeda, and Vladivostock. On the occasion of the flag change on "Orlyonok," the first GTS, Comrade Chulin, director of the main administration for shipbuilding, Ministry of the Fishing Industry USSR, and head of the Soviet acceptance commission for GTS, described the ship type as a project which ushers in a new phase in Soviet ocean-going fishing, which meets the requirements on a worldwide scale, and which attains and partly exceeds the utility value parameters of the larger fishing and refrigerator vessels. He congratulated the shipyard personnel force on this success.

With the start of series production in the middle of 1982, the GTS became a profile-determining ship type of the shipyard on Strelasund [Sound] for the next several years; until 1985, it will produce 100 of these vessels for the USSR.

VEB Elbwerften Boizenburg Ross lau

The Boizenburg shipbuilders continued the inland passenger vessel construction program for the USSR and increased the size of the series to a total of 19 units with the following three inland passenger vessels:

"Sovetskaya Konstitutsiya" for the Northwest Shipping Company, Leningrad,

"Nikolay Chernyshevskiy" for the Volga Shipping Company at Gorkiy and

"Nikolay Dobrolyubov" for the Inland Shipping Company of the Ukraine in Kiev.

"Feodor Dostoyevskiy" (intended for the Kama Shipping Company in Perm) is the 22nd vessel of this series which was launched on 6 November; at the same time it is the 100th inland passenger vessel by GDR shipyards for the USSR. This vessel marks the completion of Project 301 in October 1982; it will be followed by the improved vessel based on Project 302, described on page 57 [of the original], with deliveries starting in 1983.

Sailing from the middle of March until the middle of December, these floating hotels, depending upon the route, annually carry 4,000-6,000 tourists and vacationers in high comfort and with good recreation possibilities. The first vessel in this series was taken over by the Volga-Don Inland Shipping Company in Rostov-on-Don on 4 August 1980; this was the "XXX Let GDR" (30 years of GDR existence); in 1981 it was transferred on a floating dock through the Mediterranean and the Suez Canal to Nikolayevsk on the Amur over a distance of 11,000 nm to boost passenger navigation on the Amur.

The Rosslau division of VEB Elbewerften completed a special ship type with the first two refrigerator vessels for inland and coastal shipping (Type "KBK"); it is very important in supplying the population of Siberia with fruit and vegetables, meat, fish, and milk products. The vessels, employed on the Lena and Ob, are equipped with two pairs of cargo holds with a total cargo volume of 1,450 m³ and a cargo capacity of 1,380 t.

VEB Yachtwerft Berlin

On 22 December of last year, the Yacht Shipyard delivered the first vessel (FLB-40-1) to the Main Department for the Fire Department in the Interior Ministry. This is a new-generation fire-fighting boat with many considerably improved qualities. The fire-fighting boat stationed in the Rostock maritime port can reach a speed of 17 kn; it was designed according to IMCO recommendations and has a cherry picker which can be extended to as much as 20 m above the water level, with fire fighting equipment (for additional data on the 40-m boat, see SEEWIRTSCHAFT, No 6, 1981, pp 267 and 268).

The inland passenger vessels "Breitling" (White Fleet Stralsund, operation, Rostov) and "Weihe" (White Fleet Berlin) were the 24th and 25th units in this series to be completed. They have a capacity of 124 seats for daytrip vacationers.

1981 CDR Shipbuilding Industry Ship Deliveries

Ship Name	1	2	3	4	5	6	7	8	9	10
1										

1981 Shipbuilding Industry Ship Deliveries

Ship Name	1	2	3	4	5	6	7	8	9	10
1										
2										
3										
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9										
10										

1981 Shipbuilding Industry Ship Deliveries

[Continued on following page]

[Key to table: 1981 Shipbuilding Industry Ship Deliveries]

Key: 1--Delivery date; 2--Construction serial number; 3--Ship's name; 4--Ship type; 5--Customer; 6--GRT registry tons (cargo capacity in tons); 7--Power plant; 8--Power output in kw; 9--Speed in kn; 10--Description in SEEWIRTSCHAFT issue No; 11--Length overall; B--Beam; H--Moulded depth; T--Draft; siehe--See; 11--Total of 12 new vessels totalling 146,936 GRT; 12--Total of six new vessels totalling 70,023 GRT; 13--Total of 10 new vessels totalling 69,637 GRT; 14--Electric traction motor.

ENERGY SITUATION, DEVELOPMENT OF ELECTRIC POWER SYSTEM DESCRIBED

Budapest VILLAMOSSAG in Hungarian No 2, Feb 82 pp 33-36

[Paper presented by Gyorgy Hatvani, technical-economic consultant to the Hungarian Power Plants Trust, member of the Hungarian Electrotechnical Association; at the 14 May 1981 scientific session of the Kalman Kando Technical College of the Electric Power Industry]

[Text] The oil shocks of the 1970s and the rapidly rising energy prices made it necessary to review also Hungary's energy policy and to adapt it to the existing realities. Whereas the primary objective in the 1960s was the modernization of our energy structure, i.e., an increase in the proportion of hydrocarbons that can be used more efficiently, under the present circumstances it has become necessary to utilize increasingly our domestic sources of energy, particularly the domestic coal reserves that previously were regarded as uneconomical.

Parallel with this the need arose to save energy in all branches of the economy, and to introduce a series of measures that provide incentives for energy conservation.

The unfavorable effects that the changes taking place in the world economy in recent years had upon the Hungarian economy necessitated, among other things, also a slowdown of the rate of industrial development.

Naturally, these effects significantly influenced Hungary's electric power consumption. Curve I in Fig. 1 shows the changes in Hungary's total--so-called cooperation--electric power consumption in 1976-1980, i.e., under the Fifth Five-Year Plan. On the corresponding sections of the curve we show also the annual growth rates. Striking on closer examination are the changes that occurred in 1979 and 1980, when the annual increments in electric power consumption were merely 1.66 and 1.9 percent respectively, in contrast with the increments of 6 to 8 percent earlier. Within this, socialist industry's electric power consumption (curve II) rose by merely 1.42 percent in 1979 and remained practically unchanged in 1980. This trend agrees with the development of socialist industry's gross output (curve IV); according to the data published by KSH [Central Bureau of Statistics], its annual growth was arrested in 1979 and clearly declined in 1980.

The changes in the population's consumption of electric power are shown on curve III in Fig. 1. As evident from this curve, the dynamic growth of previous years slowed down in 1979, while in 1980 the increase in the population's electric power consumption was merely 0.2 percent. This change in the population's consumption behavior resulted partially from a favorable response to the appeals to conserve energy, and

partially--to a much greater extent, in my opinion--from the 1 July 1979 increase in household electric power rates.

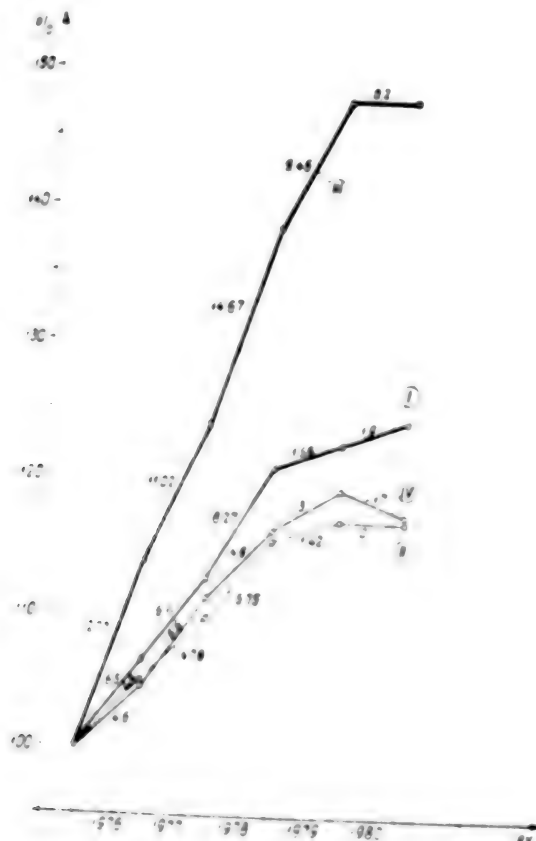


Figure 1. The changes in industrial production and electric power consumption in 1976-1980.

These data, too, confirm the need to revise the earlier long-range forecasts of the demand for electric power. Curve I in Fig. 2 shows the consumption values contained in the long-range forecast that the State Inspection of Power Engineering and Energy-Related Industrial Safety (Allami Energetikai es Energiabiztonsagtechnikai Felugyel-et) prepared in April 1980. According to this forecast, for example, domestic electric power consumption is expected to average 52 TWh by 1990, in contrast with the 70 TWh projected in years past, under the assumption of "dynamic development." The latest long-range forecasts anticipate a further decline in electric power consumption. Curve II extrapolates to the year 2000 the approximately 4-percent annual increase anticipated in the intermediate-range plans through 1985. According to this curve, the consumption that can be anticipated in 1990 is only 45 TWh.

On the basis of the actual electric power consumption in 1979 and 1980, it can be said that the values of this curve--at least in the intermediate run--are not overly pessimistic.

As evident also from this brief review, there are very many uncertainties concerning the long-range development of the demand for electric power, and not even the

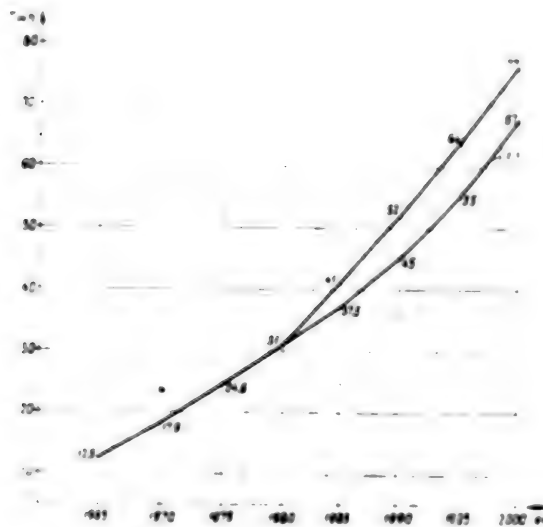


Figure 2. Long-range forecasts of electric power consumption in Hungary.

advances in the methods of forecasting enable us to refine the foreseeable development at the level of accuracy that was customary in years past. However, one thing is certain: more electric power is needed for the further development of the economy, for a growth of national income and a rise of the living standard, which remain the basic objective of social policy.

This must be taken into consideration when preparing the programs for the intermediate- and long-range development of the electric power industry, in such a way that the justifiable demand at any given time will be supplied while we strive for the national economic optimum, tying down investment resources only to the extent necessary.

In the development of power plants we can distinguish two periods whose content is clearly defined by the general concepts of energy policy, but whose duration cannot be determined accurately.

The first period will last until the power-plant investments already decided--and partially already under construction--will be able to supply the demand for electric power. (From this point of view the planned increase in import of electric power can be regarded as "power-plant-substituting" investment.)

We may include here the construction of the Paks Nuclear Power Plant. Parallel construction of its first 440-MW unit can be expected in the second half of 1982. Expansion of this power plant to its full capacity of 1760 MW should proceed as fast as technically and economically feasible, to lay the foundation in Hungary of efficient nuclear power generation that will assume decisive importance in the future. This is the more warranted because maximum utilization of the coal-fired power plants will mean that the additional demand for electric power, until all four reactor-generator units are placed in operation, will have to be supplied from oil-fired power plants whose imported fuel will place a significant additional burden on the economy.

Full use will have to be made of the importation of electric power that has been contracted for the period through 1985 and will total 1850 MW. In the aforementioned first period this will add 400 MW to the present capacity of our electric power system.

On the basis of the international agreement concluded in September 1977 by the councils of ministers of the Hungarian People's Republic and the Czechoslovak Socialist Republic, construction has begun this year of the hydroelectric power plants in the Gabčíkovo and Nagymaros area. The installed generating capacity of the Gabčíkovo Hydroelectric Power Plant will be 720 MW (eight vertical-shaft Kaplan turbines), and that of the Nagymaros Hydroelectric Power Plant will be 158 MW (six horizontal tube turbines). Completion of the joint Czechoslovak-Hungarian investments is planned for 1989 and 1991 respectively. Hungary's share of both the investment cost and power output will be 50 percent. Commissioning of the hydroelectric power plants will add about 440 MW to the Hungarian electric power system's installed generating capacity.

Realization of the three projects described above will mean the installation of 2600 MW of generating capacity. Considering the consumption trends described above, this should supply until about 1990 the system's peak loads.

The basic directions of power-plant construction in the subsequent, second period seem clear already now:

--No new large-capacity thermal power plant may be planned for hydrocarbon fuel.

--After 1985, a significant increase of the already contracted import of electric power seems neither realistic nor warranted.

--The obsolete coal-fired power plants of low efficiency should be kept in operation until it becomes possible to replace them with modern coal-fired generating units.

To this end we must continue the modernization of our coal-fired power plants while striving to convert them into combined power and heating plants, in order to reduce condensation losses.

--It is neither expedient nor safe to plan long-range investment projects based on a single primary source of energy.

Taking the foregoing into consideration, our tasks are as follows:

--To utilize our domestic reserves of steam coal--these are estimated to be sufficient for about 15 GW of additional generating capacity--we must build the Bicske Thermal Power Plant that will use steam coal from the Eocene mines and will have a planned installed capacity of 1500 MW. Final decisions regarding the size of the power plant, and the type and size of its generating units must be adopted in 1982 if the first unit is to be commissioned at the end of this decade.

--Additional nuclear generating units must be built before the year 2000. According to CEMA's long-range development plans, sufficient operating experience should be available by then with the 1000-MW units using pressurized-water reactors. The results of studies to date indicate that the Paks site--in terms of air pollution and the Danube's thermal pollution--could accommodate two more generating units with 1000-MW reactors.

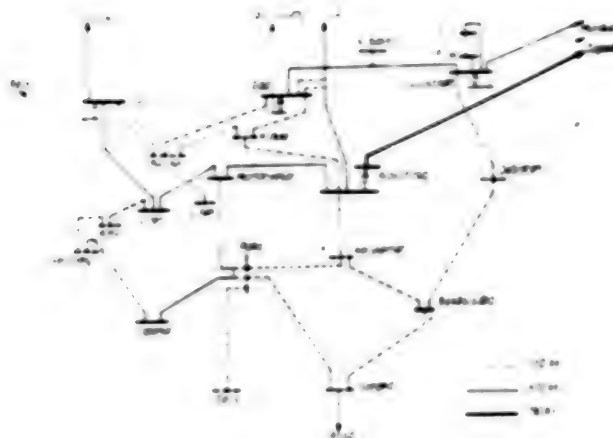


Figure 3. A feasible long-range developmental variant of Hungary's transmission system.

--A serious problem of the 1990s will be to ensure suitable flexibility of the electric power system. Neither the nuclear generating units nor the large generating units of the coal-fired power plants are suitable for flexible regulation that adjusts to the daily changes in the load diagram. Under our domestic conditions, pumped-storage power plants are economical to build for this purpose. The first such power plant, with a capacity of about 1200 MW, is planned for Predikaloszek where the natural conditions are outstanding.

--The first decade after the year 2000 will witness the construction of the Bukk Thermal Power Plant (with a capacity of about 2000 MW), based on the lignite reserves of the Matra Mountains and Bukk foothills, of additional 1000-MW nuclear generating units (in Paks or Szony), and of more pumped-storage power plants (primarily in the Danube bend).

Our objectives regarding the development of the transmission and distribution systems are determined by two basic considerations:

--VERE (Association of the CEMA Countries' Electric Power Systems) specifications must be fully met.

--The domestic transmission system, and the high- and medium-voltage distribution systems must ensure at all time the Hungarian electric power system's uninterrupted operation in the interconnected mode, and the suitably reliable transmission and distribution of the available electric power.

Our existing international interconnections will remain able also in the long run to reliably receive the planned quantity of imported electric power, respectively to handle the anticipated transit transfer of electric power.

The domestic 220-kV transmission system will not undergo further meaningful development, and the 750-kV system will not be expanded on Hungarian territory in the foreseeable future. Thus the 400-kV lines will form the backbone of the transmission system, and the extent to which these transmission lines are developed at any given time must guarantee the reliable operation of the domestic transmission system. bearing this in mind, in developing the 400-kV transmission system we must strive to

observe the principle of unit reliability; because of our limited investment resources, however, we probably can satisfy this principle consistently only over a longer period of time. Figure 3 shows a feasible variant of the Hungarian transmission system's long-range development, capable of reliably transmitting a peak load of 10,000 MW. Only the international interconnections of the 220-kV system are shown in the diagram. The solid lines indicate the already operating transmission lines and substations, whereas the broken lines indicate the proposed transmission lines and substations.

The 400-kV stations in Paks and Szeged, respectively the 400-kV Paks-Szeged and Toponar-Keszthely transmission lines will foreseeably be placed in operation under the Sixth Five-Year Plan. Significant for the reliable power supply of Budapest will be the looping at God of the 400-kV Albertirsa-Leva transmission line, and the construction of the 400/120-kV substation at Kaszasdulo and its 400-kV transmission line. Realization of these facilities will likewise begin under the Sixth Five-Year Plan.

The looping of the 400-kV transmission system will belong among the tasks of the subsequent period.

The optimal transforming capacity of the 400/120-kV transformer substations will remain 250 MVA per station also in the distant future, although the construction of 400-MVA transformer substations may be warranted at one or two places.

The greater density of 400-kV feeding points makes possible, and the concomitant rise of short-circuit power necessitates, the systematic division of the 120-kV medium-voltage distribution system into districts. Based on a 400-kV feeding point, the self-looped 120-kV districts formed in this manner appear to ensure suitable 120-kV supply also in the long run. Incidentally, the construction of 120-kV medium-voltage feeding points is based on about 100 regional power-system-development plans that cover Hungary's entire territory.

Medium-voltage distribution will develop also in the long run as radial feeder-and-main systems that have proven suitable in practice. To improve the reliability of these systems, it will eventually become necessary to duplicate all the radial feeders.

From a technical viewpoint, we believe, the concepts for the long-range development of Hungary's electric power system are unambiguous. Realization of the planned facilities, however, must be governed by considerations of the national economic optimum at any given time: the warranted investments that have been decided in due time must be realized economically, at the least possible cost, and with the highest possible degree of efficiency and organization.

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POLAND

MINISTER INTERVIEWED ON STATUS OF MARITIME ECONOMY

Warsaw ZYCIE WARSZAWY in Polish 16 Mar 82 p 3

[Interview with Minister Jerzy Korzonek, chief of the Office of Maritime Economy, by Pawel Tarnowski: "Please Do Not Interfere"; Date and place not given]

[Text] [Question] The type of crisis that our country is now going through could not but affect the maritime economy which, despite everything, is keeping its head above water--it is earning zlotys and foreign exchange. This is a unique event in our country. What are the reasons for it?

[Answer] Not counting fishing, the remaining subsectors of the maritime economy--the fleet and ports--are engaged in providing services, and not only to Polish freighters. The dramatic fall of goods transport of Polish export trade was thus compensated by an increase in the services for goods of foreign contracting parties. The so-called functions of the instrumental maritime economy, dependent on the staff of our export trade, decreased considerably, while the functions of income particularly increased greatly. Shipowners transported considerable more foreign goods, especially between foreign ports. In Polish ports, transit shipments instead increased.

In previous years, the share of foreign goods transports by the Polish Steamship Company approached 15-17 per cent. Last year it amounted to 37 per cent. This same indicator for the Polish Ocean Lines amounted to 60 per cent. These are the main reasons why both of the shipowners, in spite of everything, are running quite well. If it is a question of ports, then transit shipments still continually do not look quantitatively sensational but, after all, they brought in the fairly large profit. They allow the ports to weather the crisis more easily.

On the other hand, the situation is completely different for deep-sea fishing which was plagued by difficulties typical of our economy--a lack of foreign exchange to purchase fuel, for services in foreign ports, for repairs, and for the most part also for the transport of fish--which resulted in ships standing idle for a total of about 1200 days last year. This means that we lost 50 thousand tons of fish. This, among others, is where the inferior hauls originated in 1981.

I also think that one of the reasons for our relative success was the efficiency and commitment of the people who, time after time, had to pass a test of their professional life, once more demonstrating their usefulness under different, atypical conditions.

[Question] However, one can also look at the state of the Polish maritime economy differently. It then will be evident that freight rates, on which the activities of the Polish Steamship Company [PZM] are based, fell by 30-40 per cent; and virtually all the shipowners, as well as fishermen, complain of the lack of modern vessels and opportunities to replace their fleet. Ports today are not adapted for handling a ultramodern liner fleet, therefore fishermen do not have any place to fish. Since this is the case, it seems fitting to ask the question, are not last year's relatively good results temporary and won't the maritime economy quickly follow in the steps of the entire country?

[Answer] In your question, sir, you exchanged the objective conditions, on which we have rather minimal influence, with the subjective factors, which we try to alter from a better or worse result. To be sure, the situation of deep-sea fishing grounds should be included in the first group. It is true that for at least 5 years Polish fishermen have operated nearly exclusively in foreign waters, farther and farther from the country, and the fish brought in by them frequently reflected the customers' tastes. All the same, to this day, the deep-sea fishing fleet has supplied us with around half a million tons of fish annually. And I imagine that it will continue as in the past. This is an enormous portion of the protein included in our food balance.

Obviously, to implement the plan of catching half a million tons of fish, the vital matter is to get accessibility to the fishing grounds. It is true, the old partnerships have fallen apart, but we have already secured several new international treaties. The next agreements are being readied. The very conditions of fishing are indeed unstable and difficult, but we try our luck farther away, switching vessels, fishing outside the shelf and the 200-mile zone and, in the end, trying out new fishing techniques.

The productivity of fishing grounds, to which we will most likely have access, is estimated to be 1 million tons annually combined. On the other hand--and here our influence on the development of the situation can be already much greater--if suitable new vessels are not available then deep-sea fishing will obviously die out from outmodedness. Without replacement of worn-out units in 1990 the fleet from a technical standpoint will be capable of [catching] only half of the 300 thousand tons of fish. Appropriate measures should be taken now, at sea as well as on land where the situation also leaves much to be desired. Otherwise, as the Polish economy begins to emerge from the crisis, the maritime economy will only have just fallen in up to its neck.

[Question] And how does the merchant fleet situation look?

[Answer] The tramp fleet was, simply, developing quite well in the 1970's. This progress must be continued. [They must] continue to order vessels from

domestic and foreign shipyards. As this present crisis has proven, maritime transport is able of functioning well even in such exceptional circumstances.

It is true that, at present, freight rates have fallen markedly yet, after all, they never reflected the costs of the shipowner, but they were always a result of the game of supply and demand. During economic cycles, shipowners always recouped possible early losses with interest. Therefore, conclusions drawn for the future, solely from freight rate activities would be an inexcusable error. The activity of the PZM may soon collapse at any moment for completely different reasons--e.g., if the [carefully] weighed, sound policy to modernize the fleet and its development is not conducted.

A similar question lies with the owner of liners, who actually has very outmoded equipment at his disposal, but is just not beginning to trade in vessels and buy them from French and Spanish shipyards and, not so long ago, also began to order them domestically.

The economic results of the fleets and other subsectors of maritime economy during the time of the crisis are the best proof that even under such difficult circumstances it [maritime economy] does not allow itself to lose its bearings and vanish. In such a case, proposals emerge on their own. It [maritime economy] must be developed in a reasonable and considered manner, and in a simultaneously consistent manner. After all, the question here is not only of investments, but also of creating an adequate economic-financial system of management and taxation.

[Question] In brief, then, the principles of economic reforms...

[Answer] ...which, because of the specific nature of our activities on the country's frontier and the world, demands somewhat different solutions. Hence we are also trying [to act], even in financial documents and executive acts, so that this uniqueness of the maritime economy would find appropriate expression to enable self-financing and growth.

Besides, I believe that the maritime economy is uniquely well prepared to introduce new lines of management. Many of them [lines of management] are not at all new for us. For example, the economic system existing in the fleet, still under analysis toward the end of the 1960's, included considerably more radical elements than those currently proposed general solutions. Even in the past decade, it proved very correct, to give enterprises far-reaching independence and create the possibilities for survival --as it turned out--even in crisis situations. At present, applied systems-type elements should go even further if the fleet is to be competitive and withstand the pressures of the international market.

On the other hand, for ports--customarily accepting solutions applied in our country--the fundamental question is the possibility of profiting from increased foreign exchange allowances on repairs, investments, etc., as well as independence to make wage decisions in transit matters.

The most difficult and complex problem is the reform in fishing. As it is generally known, fish prices are regulated. They may or may not include the factor of subsidies. Hence the question arises, should they cover the costs and give appropriate income for the development; and will the state, as before, make up half of the sum of even the processing. Generally, I suppose the first of these ideas has more advocates. Its implementation, in other words, its limitation or reduction of subsidies would still be bound in the future with an increase in retail fish prices, unjustified after all, if they are compared to current prices of either meat or sausage.

If all of this is done, then we will be able to say that the fishing industry remains to be based on an efficiently functioning economic system. Nowadays, in the matter of price policy laws, the extreme decisions have not yet been undertaken. It could be that fishing will be subsidized, in a different form and on different principles, just as it is happening in many other countries with a developed fishing industry.

[Question] What is now your most important task, sir, as head of the Office of Maritime Economy, the subsistence of which demanded for many years an entire range of people [in the maritime field]?

[Answer] [It is] the transformation of all of these minor or major decisions and the advancement, which we are undertaking or else which will have to be undertaken in the future--and of which we spoke just now--into a uniform state maritime policy. This is not easy by reason of the continually changing international situation as well as internal conditions.

Equally vital is the settlement of accounts--not only for our own use--or how much this maritime economy really brings in profits for the country. It just so happens that both the individual as well as the state does not count money that it does not have to spend. Yet, in the meantime, ownership of our fleet relieves, for example, Polish foreign trade from incurring fairly large foreign exchange expenditures on transportation that are payable on demand and never on credit.

This is one of those important unseen benefits about which not much is said. After all, to transport 8 million tons of grain with our own or someone else's fleet is a completely different debit for the State's balance sheet. Today, in assessing an enterprise, we are looking almost exclusively at its recorded profits. If, however, there were no Polish fleet, how would our export trade function today?

[Question] Nowadays it is really difficult to play around with forecasts. All the same, I would like to know, how do you [personally] conceive of the possibilities for development in the maritime economy?

[Answer] Current matters, with more or less difficulty, are somehow pushed through. But the future? If the economic-financial system, which will be operative in our country, will insure enterprises of the possibility to spend at least a part of earned zlotys and foreign exchange for their own purposes, we can be moderately reassured about the future. The maritime economy is

not a branch that absolutely must reach out its hand to the finance minister. We only want the right to spend a reasonable part of the money we earned. In the fishing industry today, we are already financing all of our foreign exchange expenditures ourselves. Dry docks which have control over some of the profits will also be able to earn even more.

Either we accept the specified primary commodities [required by] the branch --though, by operating, they could be returned threefold--or it [the branch] will essentially cease to develop. Clearly, however, there is truly no other alternative here.

[Question] Last year, many enterprises, particularly commercial and fishing shipowners, complained of the cooperation of the Commercial Bank which, as usual, did not implement its orders. Will there be a Maritime Economy Bank in the near future?

[Answer] Probably not. We are, after all, on the right road, if the National Bank of Poland [NBP] were to create specialized branches in Gdansk and Szczecin, and take over the entire service of maritime economy enterprises. The NBP does have a comprehensive view of the matter, and not only of the problem of foreign exchange costs. At present, this seems to be one of the best ideas.

[Question] In the course of the last decade, the organizational structure of the maritime economy proved to be rather static. However, one new enterprise emerged--the Polish Baltic Steamship Company which, after several years of operation amassed a multimillion [zloty] deficit. Will this shipowner continue to exist?

[Answer] You should present this question to Kolobrzeg. Now that there are independents and those who are self-financed, the answer can be found above all in the enterprise. We, on the other hand, as the founding body asked for a program of restoration, toward which we will be critical. The program will be appraised by the bank and by the UGM [Office of Maritime Economy] and, suitable proposals will be raised based on this.

[Question] Is it your opinion, sir, that the style of activity--previously [implemented] by the Ministry. And now by the Office--have undergone some kind of change?

[Answer] I was not here previously, so I cannot compare. I do recall, however, that as director of the port complex I had only one dream--that I would be allowed to take action. If, consequently, fulfilling the tasks assigned to the Office of Maritime Economy, we learn from the enterprises that in the current administration the Office does not interfere with them but simply helps them we will be able to acknowledge this as our joint success. Just as for the entire maritime economy.

POLAND

1982-83 OPERATIONAL PLAN FOR TRANSPORTATION ANALYZED

Warsaw RZECZPOSPOLITA in Polish No 21, 6-7 Feb 82 p 4

[Article by Zbigniew Wyczasany: "An Operational Transportation Plan in the Service of the Economy"]

[Text] The operational plan for rail and highway transport came into being relatively late. It did not appear among the first ten operational plans, but only on the supplemental list of 30 December 1982. The delay in including transportation in the individual tasks occurred, not because of the role of this economic sector was underestimated for the entirety of the economy and social life, but above all, in order not to expand the list of preferred fields, especially since transportation serves the entire economy and not merely a select goal. As a footnote, let us add that the operational plans in industry is estimated to encompass only about 50 percent of total production.

If, however, at the end, rail and highway transportation were not included in an operational plan, this would be the result of the recognition of the particular position of this branch in the economy, upon which the rate at which the country will emerge from its crisis will depend to a great degree.

Here and now, it must be clarified that the inclusion of rail and highway transportation in the operational plans is not by any means connected with any additional funds in the form of investment outlays, supplies of materials and raw materials, etc. The tasks undertaken in this plan have to be realized within the scope of the funds possessed by the ministry.

Not a single one of the operational plans has received any such supplemental funds either. However, it is surprising to see what a great attractive force special programs of all kinds have. At the end of 1981, when the working of operational plans for selected sectors of the economy and social life was initiated, there was no branch that did not want to be included in such a plan. This desire was accompanied by the illusory conviction that the government would provide supplementary funds to realize the tasks undertaken in an operational plan. For the time being, the current reality of the national economy lies at the bases for the birth of this new form of planning: the paucity of investment outlays, a shortage of raw materials and producer materials, and the necessity for maximum utilization of existing reserves for meeting the most important needs of the people and the economy.

The operational program for transportation has been worked up for 1982-1983. As of now, only a framework has come into being of this plan, the basic premise of which is the provision of proper service of the transport economy in the field of stabilization activities and the preparation of transportation for operation in conditions of economic recovery. Of course, the proper operation of transportation is one of the essential conditions for the realization of all the other operational plans.

The basis of the plan is the definition of transport requirements. However, there continue to exist too many uncertain elements, and a lack of clarity as to how these requirements will take form. Making a rough estimate, in 1982, the total number of freight hauls by all means of transportation may amount to 1.965 million tons, more or less at the level achieved in 1981, along with the fact that certain shifts will occur in the quantity of hauls realized by individual types of transportation. For example, rail and public motor transportation haulage will increase, and hauls by branch-level transportation will be reduced. The reason for the latter is the restriction of major investments and lower use of transport for the production process in connection with the worsening raw materials supply. Transportation haulage not included in the operational plan ought to stay unchanged. These are inland shipping, coastal shipping, and pipeline transport.

The operational transportation plan also encompasses passenger transport. The transport capacity in this area of the railroads and the State Bus Transport will be limited by the fuel supplies and supplies of new transport equipment. It is estimated, that the railroads will transport about 1.1 billion persons.

Another element of the plan is the definition of the transport potential and the establishment of priorities for transporting specific loads. Undoubtedly, priority will be maintained for the haulage of hard coal by establishing daily assignments with separate treatment (wyodrębnienie) for coal handling on Saturdays and Sundays. Daily control over the realization of coal haulage assignments is being instituted.

Brown coal and coke, fuels, artificial fertilizers, iron ores, cement, lumber, grain, potatoes, and other crops, and also foreign trade cargoes also have transport priority on the railroads.

In connection with the change in the role of ministries, the elimination of unions, and the introduction of a new planning methodology (currently plans of enterprises are submitted directly to the Planning Commission with the bypassing of intermediate links, including one's own ministry as well), difficulties are ensuing with the allocation of transport capacities for individual loads. At the current time, there are no one or several partners to establish these volumes, and it is necessary to seek direct contacts with the producers, which is not easy in view of the limitations in the communications system. However, the situation is a transitory one. In addition to this, the most important shipments are being directed through newly established and existing sales centers.

The effectiveness of the implementation of the rail and highway transport operational plan depends to a considerable degree on the concentration of investment outlays for selected sectors. Because of the paucity of investment funds, the necessity has arisen for the maintenance of a number of important transport investments, including the construction of the third stage of the central railroad trunk line (Korytow, Szymanow-Blonie), the rebuilding of the Warsaw-Prage marshalling station, the construction of freeways and express highways, the construction of a central coal port for inland waterway shipping in Tychy. The list of retained investments in transport encompasses 16 capital projects with a combined value of over 80 billion zlotys.

In addition to this, those modest funds that the economy can allocate for transportation in 1982 must first of all be directed toward the continuation of investments that are in the process of implementation so as to gain an increase in transport capacity as rapidly as possible. This is the electrification of railroad lines, as a fundamental activity, also from the standpoint of restricting the consumption of fuels in transportation, and in addition to this, for the modernization of repair and maintenance potential, technical facilities, and the elimination of bottlenecks on the main transport routes through the realization of small investments for transport lines and stations.

High preferences in the operational plan for transportation have been set up for repair and maintenance. This is from one standpoint, an expansion of the service and repair facilities of transport and locomotive equipment and on the other hand, an intensification of repair work on the rail and highway network.

With respect to these sectors, the unfinished work from past years is quite considerable. About 6 thousand km of railways require replacement, as do 1,500 km of station trackage, and the backlog in the renovation and reinforcement of motor roadways is estimated at about 63,000 km. There is no doubt that these backlogs can be made up in a short period, nevertheless, the stepping up of the repair operations is essential, and the most vital tasks are encompassed by the operational plan.

One of the most serious problems is the problem which is the most difficult, not only in the operational plan for transportation, but in the whole economy. This is the great degree of uncertainty in predicting supplies of new transport and rolling stock, which is therefore closely linked to the over-all situation in the country with respect to material and technical supply in Poland. In addition to the uncertainty about the quantitative supplies, an additional element is the question of their costs and more precisely, the prices for new railroad cars, locomotives, trucks, and buses. Investments for the purchase of rolling stock are limited. It can occur that the enterprises of the Ministry of Transport will not have anything to purchase new rolling stock with. And transportation has to continue. Cost-effectiveness analysis can cause a situation where it would pay enterprises much more to repair railroad cars rather than purchase new ones.

A supply-delivery pool allocated from the over-all funds of the Ministry of Transport has been earmarked to cover the needs of the operational plan. Among other things, it includes supplies of rolled metal products, cement, fuels, lumber, storage batteries, tires, and stipulated imported articles. In view of the limited quantity of these materials, and the low foreign exchange funds for imports, a question of prime importance is the economical disposition of these materials, cutting wasteful practices to a minimum, and using substitute materials and materials not subject to rationing. In a certain sense, the operational plan is a forced activity to increase management efficiency.

25/12

0801: 1600

DETAILS FURNISHED ON NEW AGRICULTURAL PRICES DISCUSSED

General Discussion

Warsaw RADA NARODOWA GOSPODARKA ADMINISTRACYJNA in Polish No 2, 22 Feb 82
pp 27-28

[Article by Lucjan Pajak: "New Prices in Agriculture"]

[Text] As of 1 February 1982 prices of agricultural machinery and equipment, fodder, mixtures and concentrates, mineral fertilizers and services rendered by agriculture circle cooperatives were increased. The procurement prices of agricultural products rose an average of 21 percent and are to compensate the increase in farmer costs for the purchase of production means. Studies and analyses as well as various calculations in this area conducted in the Ministry of Agriculture and Foodstuffs Economy have shown that farmer expenditures for production activity and investments will increase about 164 billion in 1982, in comparison to 1981, and will reach a total of about 326 billion zlotys. On the other hand farmer incomes from the sale of agricultural products in 1982 will reach a total of 635 billion zlotys and will be about 182 billion zlotys higher than in 1981. From these calculations it appears that the additional balance will amount to about 20 billion zlotys but that in spite of this actual farmer incomes are dropping about 20 percent as the result of increases in the retail prices of food and other articles. However, the increase in living costs encompasses the farm as well as the urban population because the entire society is currently bearing the cost of emerging from the economic crisis. The new ratios between the prices of agricultural crops sold by farmers and the prices of industrial articles and production means purchases by agricultural producers actually have among others, the goal of uniformly distributing the costs of emerging from the crisis between the city and the village. Compensation for the nonagricultural and agricultural population covers only a part of the increase in living costs.

Grain Production Given Greatest Priority

The price of grain currently constitutes the basis of the entire system of agricultural product prices. The price reform introduced on 1 February 1982 creates special priorities for crop and particularly grain production. An increase in the production and procurement of grain most necessary for

feeding the nation today, and of industrial crops is essential. These priorities are comprised of three price elements, which in the case of grain increase to a much greater degree than in the case of animal production. At present, the price of grain is comprised of the base price amounting to 1,200 zlotys per quintal, a contract supplement amounting to 10 percent, and a bonus for on-schedule and full delivery. In other words, a farmer will currently receive 1,440 zlotys per quintal for grain of average quality, and up to 1,700 zlotys per quintal of best quality grain. The base prices of grain in the new price lists range from 1,130 to 1,270 zlotys, not counting contract bonuses for on-schedule and full delivery. In comparison to previous prices, the average price is increased by 21 percent, but in practice a farmer will receive about 70 percent more than hitherto for contracted grain. The average price increase for industrial plants, e.g. tobacco is about 26 percent (from 16 to 42 percent) depending on tobacco type and quality from 13,000 to 16,500 zlotys per quintal, sugar beets from 260 to 320 zlotys per quintal, high-erucic-acid rape from 2,100 to 3,300 per quintal and low-erucic-acid rape from 2,500 to 3,960 zlotys per quintal.

Thus, appropriate ratios have been maintained in the new prices between the prices of grain and prices of rape, sugar beets and tobacco.

Animal Production Prices

The new prices introduced for slaughter animals, poultry and milk and their composition and dynamic result from the pro-grain policy which currently has become the order of the moment. The average price increase for hogs amounts to 13.6 percent, cattle 36.4 percent and milk 18 percent. Great changes have taken place in the procurement prices for butcher animals insofar as the principles on which they are based are concerned. Three new groups are introduced in the new price list: prices for noncontracted units, prices for contracted units and prices for delivery by the date fixed in the agreement between the farmer and the contracting institution.

In the detailed scheme, the price of cattle goes up the most and will amount to 120 zlotys per kilogram for butcher animals and in the case of sale on a previously fixed date 112 zlotys. One grade of slaughter cattle has been dropped from the young weight group between 250 to 350 kg. Currently, there will be only 3 weight groups: young animals up to 300 kg, animals in the 300-400 kg group and the most profitable grade A units weighing more than 400 kg at a cost of 112 zlotys per kg. The prices of calves were set at 110 zlotys per kg, with units of highest quality at 121 zlotys per kg.

Slaughter hogs--the average price will now amount to 120 zlotys per kg, and for on-schedule delivery 126 zlotys per kg. The price of slaughter hogs was doubled in 1981 hence the current adjustment amounts to an average increase of 27 percent per kg.

Milk--milk was fixed at 16.5 zlotys per liter (the average for an entire year). During the winter season consisting of 7 months, the price will amount to 17.5 zlotys per liter, and 14.5 zlotys per liter during the summer season. Until February, a farmer received an average of 14 zlotys per liter.

Slaughter sheep prices are free and will be fixed by agreement between the seller and buyer. The procurement prices of ducks and geese will be similarly set between the producers and units that procure them. The prices of butcher chickens have been set as of 1 February 1982 in an amount of 110 zlotys per 1 kg (the new poultry prices will become effective from 15 April 1982).

Several Cautions About the New Price Ratios

In setting the new ratios between prices obtained from the sale of agricultural products and farmer expenses the general principle was adopted that actual farmer incomes would be dependent on the level of production. The new ratios should not impair the purposefulness of individual agricultural production sectors. The new prices create tangible opportunities for obtaining higher earnings, above all for those producers who will be demonstrating appropriate initiative, careful management of resources and economical management.

In 1978, a farmer paid 145,000 zlotys for a domestic "Ursus" tractor, which is comparable to 302 quintals of grain, then with the newly set price he will need to sell only 275 quintals to buy it. Up to now he paid 650 zlotys for a plow horse, something that constituted the equivalent of the value of 1.3 quintals of grain, while at the present price of 1,700 zlotys, that value equivalency will amount to 1.02 quintals of grain. He paid 8,000 zlotys for a cultivator (18 quintals of grain), currently he will be paying 16,000 zlotys (11 quintals of grain). He paid 352 zlotys for 100 kg of nitro-chalk which was the equivalent of 73 kg of grain--now he will pay 1,065 zlotys (76 kg of grain). For 100 kg of urea he paid 476 zl (99 kg of grain) while now that will cost 1,420 zlotys (101 kg of grain).

The prices of mixes and concentrates for hogs increase an average of about 48 percent (from 1,200 zlotys per 100 kg to 1,850 zlotys), for cattle about 62 percent and for poultry 109 percent.

The highest increases in the new scheme entail prices for services rendered to farmers by SKR [Agricultural Services' Cooperative]. This also pertains to harrow, workshop and transportation services. From 1974 to 1 January 1982 most of the services were rendered by the SKR at unchanged prices. Meanwhile, since 1974 the prices of grains, slaughter cattle and milk were increased several times, something that brought about a situation in which many farmers with their own equipment took advantage of SKR services because of its low fees. The current price list of charges for services (a model price list was developed on the basis of independent calculations by self-governing organs which anticipated the costs SKRs would be incurring, plus a 5 percent profit rate) takes into consideration the costs of machinery amortization, fuel costs and compensation for work crews by virtue of increased food costs. SKR councils were authorized to differentiate prices and a reduction by top SKR authorities in charges for services are not restricted, however, any increase may not exceed 20 percent. In transportation services, the price reduction may not exceed 30 percent. The new prices for services are high but they do not exceed the prices of services rendered to farmers in between-neighbor transactions. Moreover, the price lists of

services rendered by SKR will be reduced by the sum of 12 billion zlotys in state subsidies. The initially proposed formula in which the farmer paid whatever was the actual cost of the services rendered was revised. For example, in accordance with the new price list, a farmer will pay 2,960 zlotys per hectare for grain collection by harvester (previously, that cost about 1,500 zlotys), and 600 zlotys for mowing 1 hectare of lawn by rotary mower.

In sum, in addition to subsidies for services, the total value of state subsidies for agricultural production means in 1982 will amount to about 62 billion zlotys. Thanks to this the prices of certain machines, feed mixes, and primarily, mineral fertilizers and pesticides will be reduced. The prices of certain machines, particularly horse-drawn, are rising only to a small extent thanks to subsidies, and in the case of rotary mowers, the increase is even minimal. Moreover, the prices of agricultural machinery and tractors are regulated. The metallurgy and machinery industry department will be constantly regulating them.

Comments of Institute Director

Warsaw GROMADA-ROLNIK POLSKI in Polish 18 Feb 82 p 3

[Article: "Compensations Supported by Calculation," "Prices--Rationalizations and Ratios"]

[Text] "We wish"--said the Chairman of the Council of Ministers, army general Wojciech Jaruzelski in his appearance before the Sejm--"the Polish village to become ever more affluent. This cannot, however, take place solely by increasing the prices of agricultural products or food. The basis of the growth of the village's affluence must above all be an increase in agricultural production..."

[Question] "Is the increase in procurement prices of agricultural products introduced on 1 January 1982 consistent with this statement?" we ask Prof. Dr Augustyn Wos, director of the Institute of Agricultural Economy.

[Answer] "It needs to be treated," says Prof. A. Wos "completely differently from the procurement price increases of 1 April 1982, or subsequent revision at 1 October 1981. In reality, these were large price increases that were introduced to improve the profitability of agricultural production, and to stimulate production in agriculture after the very bad crops of 1980, and the collapse of general development tendencies. Let us remember that as of 1 April 1981 the prices of practically all of the important agricultural products doubled.

"The procurement price of milk was increased by 143 percent, hogs by 91 percent, slaughter cattle by 108 percent and rye by 111 percent. There was a further procurement price increase in October for butcher animals and some other products. This unprecedented, with respect to its scale, increase in procurement prices did not, unfortunately, bring about the desired results. Procurement, as we are aware, not only did not increase but it even dropped,

"For the first time in our post-war history it turned out that such a substantial increase in prices did not produce an increase in procurement. The reason for this was not so much the change in farmer attitudes toward the price changes, as the complete disorganization of the market, decrease in the purchasing power of money, lack of production supplies essential for the village market, sharp increase in the free market prices of agricultural products, low retail food prices, etc. Thus, in spite of the fact that a great incentive force was inherent in the 1981 price increase it could not manifest itself under circumstances of a completely disorganized market.

"The procurement price increase of 1 February 1982 (21 percent) had, as I mentioned, a different character. It is not so much an increase in procurement prices, as a form of compensation for the increase in the costs of production means for agriculture, and increase in the farming population's cost of living as a result of the increase in retail food prices. If the earlier increases were calculated to stimulate production and increase supply, then in reality, the present increase has a compensational character. It constitutes a practical realization of the principle of 'ambling' in agriculture, according to which, each increase in cost of production means for agriculture ought to be compensated by an increase in procurement prices in order not to permit a decrease in the profitability of agricultural production. Therefore, it is a part of an overall agricultural reform and an important step in the direction of regulating basic economic ratios in agriculture, that is, returning normal proportions between production costs and prices."

[Question] "Won't this alter the income situation of peasant families?"

[Answer] "The problem is one of great importance. It is of the same significance as compensations in the city. To be sure, the material situation of each village family is different and, of course, there could be some families that will lose on this operation. However, on the whole, the peasant economy ought to gain. Procurement price increases were calculated in such a way, that given a normal supply of agricultural products, farmer incomes could be 4 to 5 percent higher than the incomes of the nonagricultural population. This constitutes specific compensation for an extended work period and more difficult living conditions than in the city. Simultaneously, this constitutes the realization of the principle of equalizing the incomes of the agricultural and nonagricultural population."

[Question] "What can be expected after the current increase in procurement prices?"

[Answer] "I have already explained that this is not a classical increase, the operation with which one can expect it to bring about production results of itself. On the other hand, it can to some extent be expected that, by creating normal economic conditions, the increase will manifest those tendencies which were inherent in the price changes made in 1981. Its first effect might be the stimulation of production by small enterprises which have not participated in the production of grain and because they could not afford to buy them in a store than to make them. A substantial increase

in retail food prices will force farmers to increase production for self-supply. A second effect can be a rationale for the use of production means for agriculture. An increase in the prices of those resources will force farmers to manage them efficiently. This creates hopes for decreasing production costs and increasing farmer incomes.

"There is a further hope that the establishment of profitable prices for industry which is making production equipment for agriculture will bring about a situation when it will no longer be necessary to appeal for it but that it will be manufactured willingly because, in short, it will be profitable to do so. Of course, that will not happen immediately. All of us know that the production of large numbers of machines, fertilizers, pesticides, and various investment goods is not undertaken by individual industrial establishments because they are unprofitable, but because there is a lack of raw materials. To the extent that the reform is being initiated these restrictions should slowly disappear. Thus, the call by farmers for greater deliveries of production equipment will be being transferred to an ever greater extent onto the economic plane.

"At the same time I wish to strongly emphasize that the likely benefits to the village depend not only on an increase in the procurement prices of agricultural products, but also, and perhaps above all, on an increase in agricultural production and supply. In the second half of the 1970's, 63 percent of the increase in the agricultural population's incomes came from an increase in procurement prices, and only 37 percent from an increase in production. This state of affairs can no longer be maintained. That would threaten the complete collapse of the ratios between the village and the city.

"The complex of economic production changes which was recently initiated creates a condition in which the principal source of an increase in the agricultural population's incomes will be an increase in production. If that does not occur, then prices of themselves will not be able to solve the problem.

Examples of Prices

Warsaw GROMADA-ROLNIK POLSKI in Polish 18 Feb 82 p 5

[Article: "New Procurement Prices"]

[Text] The State Price Commission and Ministry of Agriculture and Food Economy announces that in accordance with the resolution of the Council of Ministers dated 19 February 1982 in the matter of agricultural product procurement prices and the prices of certain production items and services for agriculture, as of 1 February 1982 procurement prices are increased on an average (as follows),

... grains from 1,000 to 1,440 zlotys per 100 kg of contracted grain delivered within an agreed on time frame;

- . low-erucic-acid rape from 2,500 to 3,960 zlotys, high-erucic-acid rape from 2,100 to 3,300 zlotys per 100 kg;
- . sugar beets from 260 to 340 zlotys per 100 kg net weight together with bonus for on-schedule delivery;
- . tobacco leaves from 130 to 165 zlotys per kg;
- . slaughter hogs from 110 to 127 zlotys per kg;
- . young butcher cattle from 75 to 100 zlotys per kg;
- . slaughter calves from 75 to 110 zlotys per kg;
- . milk from 14.00 to 17.00 zlotys per liter of 3.5 percent fat content;
- . wool from 520 to 800 zlotys per kg;
- . butcher chickens from 60.50 to 110 zlotys per kg (the new poultry prices will become effective from 15 April 1982).

Effective 15 February 1982 retail prices of basic production goods for agriculture will be increased on an average (as follows),

- . tractors and agricultural machines by 119 percent
- . mineral fertilizers--by 167 percent
- . feed mixtures for hogs--by 41 percent
- . feed mixtures for cattle--by 67 percent
- . feed mixtures for poultry--by 109 percent.

The prices for agricultural services, seeds and breeding animals are increasing appropriately. The prices of pesticides and cement will also go up.

Retail prices for some production items, e.g., feeds, mineral fertilizers, pesticides and services do not fully cover production costs and as a consequence will be partially subsidized.

Farms which are located in areas in which more than 50 percent of the arable agricultural land is located at an elevation of more than 350 meters above sea level are eligible for allowances, in addition to the prices for slaughter cattle and milk anticipated in Council of Ministers Resolution nr 32 of 6 February 1982 on the subject of allowances for the procurement prices of slaughter cattle and sheep, as well as milk.

Grain, Rape Prices

Warsaw CHLOPSKA DROGA in Polish 21 Feb 82 p 4

[Article: "New Procurement Prices for Rape and Oleaginous Rape"]

[Text] As was indicated, new grain procurement prices are in effect as of 1 February 1982, (see CHLOPSKA DROGA nr 1 of 10 February 1982). The prices of production goods items that are obligatory from 15 February were also provided there. We will be returning to the problem of prices.

We are now presenting the details of a price list confirmed by the Ministry of Agriculture and Food Economy relative to the procurement prices of grains, rape and oleaginous rape. In order to avoid misunderstandings at procurement points we have also selected the most important regulations pertaining to grain quality classification (see tables).

Classification of Grains in Procurement

Grains need to be classified in accordance with obligatory grade standards, except that, for the period ending 30 June 1982, the price will not be changed without regard to grain density in pour state. Price deductions are applied in procuring grains (with the exception of brewer's barley) of greater impurity than that described for grade III purity. These amount to 0.5 percent for each 1 percent of usable impurities described above for grade III purity, however, for not more than up to 20 percent. With unusable impurities, there is a deduction of 1 percent for every percent of impurity but up to not more than 5 percent.

Grains with an impurity content higher than the above norms may be bought only with the prior approval of the appropriate "State Grain Elevators" (PZZ) grain-mill industry enterprise.

Producers who furnish contracted grains, or grains for loan are entitled to additional bonus payments of up to 10 percent of the price for basic quality grain. Farmers who deliver grains on schedule will receive a similar bonus (in an amount of up to 10 percent).

Wheat and Brewer's Barley

Damaged wheat of a grade III state of impurity is not procured. Damaged wheat of a grade I state of impurity is accepted without price deductions. There is a 5 percent deduction for wheat of a grade II state of impurity. The regulations regulating the prices of delivered brewer's barley are very complicated.

The only brewer's barleys that can be accepted are contracted brewer's barley which is of the uniform size prescribed by the standard (that is, not less than 5 percent of the grain measured on a I and II Vogel sieve with mesh dimensions of 2.0 x 25 mm and 2.5 x 25 mm is of uniform size).

Supplementary payments are utilized with deliveries when grain is sized.

These bonuses (per 100 kg of brewer's barley) are as follows:

--when 75 to 85 percent inclusive of the grain sized on a I and II sieve is of uniform size--45 zlotys;

--when 85 to 95 percent of the grain sized on a I and II sieve is of uniform size--80 zlotys;

--when more than 95 percent of the grain sized on a I and II sieve is of uniform size--100 zlotys.

Farmers are entitled to a bonus for supplying brewer's barley with a protein content no greater than 12 percent in an amount of 150 zlotys per kg. For each 0.5 percent of protein below 12 percent there is an additional bonus of 15 zlotys per kg.

The supplement referred to above is applicable exclusively with a delivery of not less than 3 tons of brewer's barley in one batch to a warehouse indicated by a "PZZ" grain-milling industry enterprise.

Supplemental Payments and Deductions in the Procurement of Rape and Oleaginous Rape

The following supplemental payments and deductions are applied in the procurement of rape and oleaginous rape of parameters other than defined for basic grain quality:

--1.5 percent is added for each 1 percent of moisture from 5 to 13 percent, and 0.5 percent for each percent of usable impurities below 4 percent;

--1.5 percent is deducted for each 1 percent of moisture from 14 to 20 percent, 0.5 percent for each percent of unusable impurities from 1 to 10 percent.

Rape and oleaginous rape of different quality parameters may be purchased only with the prior approval of the appropriate "PZZ" grain-milling industry enterprise.

Bonuses for Products Delivery

They are also reminded that producers are entitled to a bonus in the amount of 80 zlotys per 100 kg of products supplied (grains, rape and oleaginous rape), as compensation for the flat rate costs of loading and delivery to Village Cooperative (VCS) procurement points (this pertains to private farms), "PZZ" enterprises, or recipients indicated by a grain-milling industry enterprise.

1. Grain Procurement Prices

Table showing procurement prices taking grain quality into consideration
(in alotys per 100 kg of grain)

Item	Grain type and description	Degree of purity	Impurities content		Degree of moisture		
			Altogether in % (not more than)	Including unusable impurities in % (not more than)	1 dry	2 medium dry more than 15% and up to 18%	3 damp more than 18% and up to 22%
1.	Basic grains: rye, wheats, barley and oats to pre-harvest time)	1 2 3	3 6 9	1 2 3	1270 1240 1210	1230 1200 1170	1190 1160 1130
2.	Grain mixture	1 2 3	4 8 12	2 3 4	1160 1130 1100	1130 1100 1070	1090 1070 1050
3.	Corn	1 2 3	6 10 15	2 3 4	1160 1130 1100	1130 1100 1070	1090 1070 1050
4.	Brewer's barley (A minimum of 75% grain in a I and II sieve)	1 2 3	3 6 9	1 2 3	1580 1550 1510	1540 1500 1460	-- -- --
5.	Buckwheat	1 2 3	3 5 8	1 3 5	3160 3090 3010	3070 3000 2920	2980 2910 2830
6.	Millet	1 2 3	3 5 8	1 2 4	2110 2060 2010	2050 2000 1950	1990 1940 1890

11. Rape and Oleaginous Rape Procurement Prices

1. Basic grain quality rape and oleaginous rape procurement prices

Item	Specification	moisture in %	Basic quality impurity content in %		Procurement price in zlotys per 100 kg	
			usable	unusable*	contracted deliveries	noncontracted deliveries
1	2	3	4	5	6	7
1.	high-erucic- acid rape types	13	4	1	3,300	3,000
2.	low-erucic- acid rape types	13	4	1	3,960	---

*Not more than 0.1 percent of weeds harmful to health, or more than 0.5 percent of mineral impurities in the unusable impurities.

Fodder Prices

Warsaw CHLOPSKA DROGA in Polish 3 Mar 82 p 10

[Article by (FL G): "New fodder price list"]

[Text] A new fodder price list--nr 210 D/82, registered under item VII (MR:GZ) [Ministry of Agriculture and Grain Economy] became effective on 15 February 1982. This price list contains the retail prices of fodder mixtures, fodder additives, grain meal and bran.

The retail prices contained in this price list pertain to bulk and packaged mixtures as well as to items produced in accordance with an obligatory recipe.

Herewith several examples of the retail prices of medium-protein fodder mixtures for cattle:

- . mixture for high-yield milch cows "B-W"--porous--1,800 zlotys for 100 kg;
- . mixture for full-grown animals "B"--granular--1,700 zlotys for 100 kg;
- . for calves and lambs "C-J"--porous--1,700 zlotys for 100 kg;
- . for older calves "C-starter"--porous--2,300 zlotys for 100 kg;
- . for feeder cattle "O-1"--porous--1,700 zlotys for 100 kg;
- . for feeder cattle "O-1"--granular--1,800 zlotys for 100 kg.

Retail Prices of High-Protein Fodder Concentrates

- . concentrate for cattle and for full-grown sheep "Ko-Be"--porous--1,950 zlotys for 100 kg;
- . urea-free concentrate for cattle and sheep "KBC"--porous--2,300 zlotys for 100 kg;
- . for feeder cattle "KBN"--granular--1,900 zlotys for 100 kg;
- . for calves "C"--porous--3,500 zlotys for 100 kg;
- . for calves "C"--granular--3,600 zlotys for 100 kg;
- . mineral mixture for cattle "Mikrofos"--40 zlotys for a 5 kg, and 240 zlotys for a 40 kg package;
- "Bowitan"--a vitamin-mineral antibiotic concentrate for calves--130 zlotys for a 2 kg package, and 2,350 zlotys for a 40 kg package.

Next time we will present the retail prices of fodder mixtures and concentrates for hogs and for poultry.

Agricultural Machinery Prices

Warsaw GROMADA-ROLNIK POLSKI in Polish 4 Mar 82 p 5

[Article by ew: "New retail prices of agricultural machinery and farm tools"]

[Text] As is known higher prices are obligatory for farm machinery and equipment as of 15 February 1982. We are presenting information for readers on present costs.

A suspended three-furrow plow "SEP" costs 20,700 zlotys, while one with identification of quality is 21,750 zlotys. A suspended two-furrow "Orzel" plow costs 15,600 zlotys, while one with an identification of quality is 16,400 zlotys. A suspended two-furrow "Slowik" costs 17,500 zlotys, while one with an identification of quality is 18,400 zlotys.

A suspended "Agropan 21" cultivator (spring tines) costs 15,950 zlotys, while one with an identification of quality is 16,750 zlotys. A suspended "Agrokult 21" cultivator (light tines) is 16,300 zlotys. A suspended "Agropan 26" is 18,500 zlotys, while one with an identification of quality is 19,400 zlotys. A suspended rototiller "Solger" is 35,600 zlotys while a "Solger A" is 36,750 zlotys.

The horse-drawn plow "Piorun" costs 1,850 zlotys, the "Piorun 2" is 2,150 zlotys, and the horse-drawn frame-plow is 5,350 zlotys.

A suspended tooth harrow "Konar 1" (3M) costs 9,450 zlotys, and suspended tooth harrow "Konar 1" (5.2M) is 12,600 zlotys. A heavy tractor-drawn tooth harrow (5.2M) is 32,000 zlotys, while a light suspended tooth harrow is 26,850 zlotys. The tractor-drawn tooth harrow U238/0 is 47,450 zlotys.

A light tooth harrow (1.7M) is 1,700 zlotys, a light tooth harrow (2.6M) is 2,650 zlotys, a seed harrow (2.7M) is 1,800 zlotys, and seed harrow (4M) is 2,850 zlotys. A tractor-drawn hoe is 30,000 zlotys, a suspended tractor-drawn furrow plow is 13,950 zlotys, while one with an identification of quality is 14,650 zlotys. A horse-drawn hoe is 9,250 zlotys, while a tractor-drawn 12-furrow hoe is 74,500 zlotys.

The "Kos" fertilizer spreader (rubber wheels) is 26,550 zlotys, while one with an identification of quality is 27,900 zlotys.

A horse-drawn "Kaszub" grain sowing machine is 14,950, and the "Goral" 13,450 zlotys. A suspended "Poznaniak 2" grain sowing machine is 40,050 zlotys, while one with an identification of quality is 42,050 zlotys. A horse-drawn "Poznaniak 4" grain sowing machine equipped for spreading fertilizers is 49,550 zlotys, while one with an identification of quality is 52,000 zlotys.

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